

1 culture focused more heavily on production volume rather than quality. An example of
2 this was a finding that production personnel were allowed to participate in aspects of
3 the income, employment, or asset verification process, a clear conflict of interest. . . .
4 Prior OTS examinations have raised similar issues including the need to implement
5 incentive compensation programs to place greater emphasis on loan quality.” PSI High
6 Risk Home Loans Hearing, Senate Ex. 25, Memorandum from D. Schneider, President
7 Home Loans, to A. Hedger, OTS Examiner and B. Franklin, OTS EIC at 1 (June 19,
8 2008).

11
12 205. A WaMu Significant Incident Notification, Date Incident Reported –
13 04/01/2008, Loss Type - Mortgage Loan, stated:

14
15 One Sales Associate admitted that during that crunch time some of the
16 Associates would ‘manufacture’ assets statements from previous loan
17 docs and submit them to the [Loan Fulfillment Center (‘LFC’)]. She said
18 the pressure was tremendous from the LFC to get them the docs since the
19 loan had already funded and pressure from the Loan Consultants to get the
20 loans funded.
21
22

23 PSI High Risk Home Loans Hearing, Senate Ex. 30, “Significant Incident Notification
24 (SIN)” at 1 (Apr. 1, 2008).

25
26 206. A New York Times article described WaMu’s underwriting practices as
27 follows: “On a financial landscape littered with wreckage, WaMu, a Seattle-based bank
28

1 that opened branches at a clip worthy of a fast-food chain, stands out as a singularly
2 brazen case of lax lending.” Peter S. Goodman & Gretchen Morgenson, *Saying Yes,*
3 *WaMu Built Empire on Shaky Loans*, N.Y. TIMES, Dec. 27, 2008 at A1.
4

5 207. Sherri Zaback, a former underwriter at a WaMu branch in San Diego,
6 California, stated that “[m]ost of the loans she . . . handled merely required borrowers
7 to provide an address and Social Security number, and to state their income and assets.”
8 *Id.* On one occasion, Zaback asked a loan officer for verification of a potential
9 borrower’s assets. The officer sent her a letter from a bank showing a balance of about
10 \$150,000 in the borrower’s account. Zaback called the bank to confirm and was told
11 the balance was only \$5,000. The loan officer yelled at her, Ms. Zaback recalled. “She
12 said, ‘We don’t call the bank to verify.’” *Id.*
13
14
15

16 208. Zaback also recalled that the sheer volume of loans precluded WaMu
17 employees from adhering to underwriting standards. According to Zaback, she would
18 typically spend a maximum of 35 minutes per file: “Just spit it out and get it done.
19 That’s what they wanted us to do. Garbage in, and garbage out.” *Id.* Another WaMu
20 agent in Irvine, California told the New York Times that she “coached brokers to leave
21 parts of applications blank to avoid prompting verification if the borrower’s job or
22 income was sketchy.” *Id.*
23
24

25 209. WaMu’s underwriting also critically failed with respect to appraisals as
26 well. An accurate appraisal of a property’s market value is crucial to the underwriting
27
28

1 process as the property provides collateral for the loan in case of default.

2 WaMu's review of appraisals establishing the value of single family
3 homes did not always follow standard residential appraisal methods
4 because WaMu allowed a homeowner's estimate of the value of the
5 home to be included on the form sent from WaMu to third-party
6 appraisers, thereby biasing the appraiser's evaluation.

7 WaMu OIG Report at 11.

8 210. The New York Times reported, "WaMu pressured appraisers to provide
9 inflated property values that made loans appear less risky, enabling Wall Street to
10 bundle them more easily for sale to investors." Goodman & Morgenson, *Saying Yes,*
11 *WaMu Built Empire on Shaky Loans* at A1. The article quoted the founder of one
12 appraisal company that did business with WaMu until 2007 as saying, "'It was the Wild
13 West,' . . . 'If you were alive, they would give you a loan. Actually, I think if you
14 were dead, they would still give you a loan.'" *Id.* (quoting Steven Knoble, founder
15 Mitchell, Maxwell & Jackson).

16 211. Nor did WaMu adequately monitor third-party brokers (non-employees)
17 who originated most of WaMu's loans. As Eric Thorson explained before the PSI:
18
19

20
21 In addition to originating retail loans with its own employees, WaMu
22 began originating and purchasing wholesale loans through a network of
23 brokers and correspondents. From 2003 to 2007, wholesale loan channels
24 represented 48 to 70 percent of WaMu's total single family residential
25 loan production. WaMu saw the financial incentive to use wholesale loan
26
27
28

1 channels for production as significant. According to an April 2006
2 internal presentation to the WaMu Board, it cost WaMu about 66 percent
3 less to close a wholesale loan (\$1,809 per loan) than it did to close a retail
4 loan (\$5,273). So while WaMu profitability increased through the use of
5 third-party originators, it had far less oversight and control over the
6 quality of the originations.
7
8

9 Thorson Statement at 5. According to the WaMu OIG Report, WaMu had only 14
10 employees monitoring the actions of 34,000 third-party brokers. *See* WaMu OIG
11 Report at 11. This lack of oversight led to WaMu “identif[ying] fraud losses
12 attributable to third-party brokers of \$51 million for subprime loans and \$27 million
13 for prime loans” in 2007. *Id.*

14 212. Federal regulators also noted that “WaMu acquired 11 institutions and
15 merged with 2 affiliates” from 1991 to 2006, yet failed to “fully integrate
16 ... information technology systems, risk controls, and policies and procedures” from
17 its acquisitions and institute “a single enterprise-wide risk management system.”
18 Thorson Statement at 5. An integrated risk management system was critically
19 important in light of WaMu’s high-risk lending strategy. *See id.*
20
21

22 213. Based on interviews with two dozen former employees, mortgage brokers,
23 real estate agents and appraisers, Goodman and Morgenson of the New York Times
24 noted the “relentless pressure to churn out loans” “while disregarding borrowers’
25 incomes and assets” that came from WaMu’s top executives. Goodman & Morgenson,
26
27
28

1 *Saying Yes, WaMu Built Empire on Shaky Loans* at A1. According to Dana Zweibel, a
2 former financial representative at a WaMu branch in Tampa, Florida, even if she
3 doubted whether a borrower could repay the loan, she was told by WaMu management
4 that it was not her concern: her concern was “‘just to write the loan.’” *Id.* Said
5 Zweibel, “[i]t was a disgrace’ . . . ‘We were giving loans to people that never should
6 have had loans.’” *Id.*

9 214. In November 2008, the New York Times, quoting Keysha Cooper, a
10 Senior Mortgage Underwriter at WaMu from 2003 to 2007, recounted “[a]t WaMu it
11 wasn’t about the quality of the loans; it was about the numbers’ . . . ‘They didn’t care
12 if we were giving loans to people that didn’t qualify. Instead, it was how many loans
13 did you guys close and fund?’” Gretchen Morgenson, *Was There a Loan It Didn’t*
14 *Like?*, N.Y. TIMES, Nov. 1, 2008. According to the article, “[i]n February 2007 . . . the
15 pressure became intense. WaMu executives told employees they were not making
16 enough loans and had to get their numbers up. . . .” Cooper concluded, “‘I swear 60
17 percent of the loans I approved I was made to.’ . . . ‘If I could get everyone’s name, I
18 would write them apology letters.’” *Id.*

22 215. WaMu inflated salaries of baby sitters and mariachi singers to the six-
23 figure range. Indeed, the only verification of the mariachi singer’s income was a
24 photograph of the mariachi singer in his outfit included in the loan application file. The
25 New York Times reported:
26
27
28

1 As a supervisor at a Washington Mutual mortgage processing center, John
2 D. Parsons was accustomed to seeing baby sitters claiming salaries worthy
3 of college presidents, and schoolteachers with incomes rivaling
4 stockbrokers'. He rarely questioned them. A real estate frenzy was under
way and WaMu, as his bank was known, was all about saying yes.

5 Yet even by WaMu's relaxed standards, one mortgage four years ago
6 raised eyebrows. The borrower was claiming a six-figure income and an
unusual profession: mariachi singer.

7 Mr. Parsons could not verify the singer's income, so he had him
8 photographed in front of his home dressed in his mariachi outfit. The
photo went into a WaMu file. Approved.

9
10 "I'd lie if I said every piece of documentation was properly signed and
dated," said Mr. Parsons.

11 ...
12 At WaMu, getting the job done meant lending money to nearly anyone
13 who asked for it — the force behind the bank's meteoric rise and its
14 precipitous collapse this year in the biggest bank failure in American
history.

15 ...
16 Interviews with two dozen former employees, mortgage brokers, real
estate agents and appraisers reveal the relentless pressure to churn out
17 loans that produced such results.

18 Goodman & Morgenson, *Saying Yes, WaMu Built Empire on Shaky Loans* at A1.

19 216. Long Beach, a WaMu affiliate, specialized in the riskiest of loans—
20 subprime mortgages. Internal WaMu documents reveal a well-documented pattern of
21 underwriting deficiencies at Long Beach. A memorandum to the Washington Mutual,
22 Inc. and WaMu Board of Directors' Audit Committees, dated April 17, 2006, re: *Long*
23 *Beach Mortgage Company -Repurchase Reserve Root Cause Analysis* states: "[Long
24 Beach] experienced a dramatic increase in EPDs[] during the third quarter of 2005. . . .
25 [R]elaxed credit guidelines, breakdowns in manual underwriting processes, and
26
27
28

1 inexperienced subprime personnel . . . coupled with a push to increase loan volume and
2 the lack of an automated fraud monitoring tool, exacerbated the deterioration in loan
3 quality.” Senate Exhibit 10 at 1-2.
4

5 217. A WaMu Audit Report titled *Long Beach Mortgage Loan Origination &*
6 *Underwriting*, dated August 20, 2007, states: “[T]he overall system of risk
7 management and internal controls has deficiencies related to multiple, critical
8 origination and underwriting processes. . . . These deficiencies require immediate
9 effective corrective action to limit continued exposure to losses.” Senate Exhibit 19 at
10
11 2. In its “Executive Summary” section, this Audit Report states:
12

13 In response to challenges resulting from the softening housing market,
14 rising interest rates, tightening capital markets, poor portfolio
15 performance and underwriting deficiencies, [Long Beach] continually
16 refines their processes and guidelines. While management has been
17 responsive to these challenges by identifying and implementing
corrective actions, actual underwriting practices have not been
consistent to achieve the desired levels of improvement. Continued
patterns of loans being underwritten outside of established underwriting
and documentation guidelines have been previously identified.

18 Id. at 2. It also identifies the following as the number one high rated “repeat issue”
19 to correct: “Underwriting guidelines established to mitigate the risk of unsound
20 underwriting decisions are not always followed and the decisioning methodology is
21 not always fully documented.” Id. at 8. The number two “repeat issue” was
22 identified as “[p]olicies and procedures defined to allow and monitor reasonable and
23 appropriate exceptions to underwriting guidelines are not consistently followed.”
24 Id. at 10. An e-mail from a WaMu executive describes the Long Beach audit report
25 as “the ultimate in bayonetting the wounded, if not the dead.” Senate Exhibit 20 at
26 1.
27

1 218. In a WaMu internal report titled “[Long Beach] Post Mortem – Early
2 Findings Read Out,” dated November 1, 2005, the authors note the following “common
3 theme” surfacing: “Underwriting guidelines are not consistently followed and
4 conditions are not consistently or effectively met.” Senate Exhibit 9 at 1. The report
5 goes on to note that 60% of First Payment Default cases could have been prevented
6 “had current policy, procedures and guidelines been better executed.” *Id.* at 2.
7

8
9 219. In Gretchen Morgenson’s July 9, 2010, article titled *Mortgage Investors*
10 *Turn to State Courts for Relief*, Morgenson of The New York Times reported on a
11 lawsuit filed by Cambridge Place Investment Management, an investment management
12 firm that lost over a billion dollars in RMBS it bought for clients, against 15 banks, for
13 abetting fraud. The complaint alleges that management at Long Beach directed
14 underwriters to “‘approve, approve, approve’” and highlights the “anything-goes”
15 lending practices at Long Beach:
16
17

18 One Long Beach program made loans to self-employed borrowers
19 based on three letters of reference from past employers. A former
20 worker said some letters amounted to “So-and-so cuts my lawn and
21 does a good job,” adding that the company made no attempt to verify
22 the information, the complaint stated.

23 220. The OTS also reported concerns with subprime underwriting practices by
24 Long Beach from 2006 to 2007. See Thorson Statement at 9-10.

25 221. As a result of its systematic disregard of underwriting standards, Long
26 Beach also appeared in the 2008 “Worst Ten in the Worst Ten” Report. In fact, Long
27 Beach was in the top five in every city other than Las Vegas, Nevada (1st in Stockton,
28

1 California, Sacramento, California, Denver, Colorado, and Memphis, Tennessee; 2nd in
2 Bakersfield, California and Detroit, Michigan; 3rd in Cleveland, Ohio and Miami,
3 Florida; and 4th in Riverside, California). *See* 2008 "Worst Ten in the Worst Ten"
4 Report. Long Beach again ranked near the top in nearly every city in the 2009 "Worst
5 Ten in the Worst Ten" Report (1st in Stockton-Lodi, California, Merced, California,
6 and Vallejo-Fairfield-Napa, California; 5th in Fort Pierce-Port St. Lucie, Florida; and
7 6th in Riverside-San Bernardino, California). *See* 2009 "Worst Ten in the Worst Ten"
8 Report.
9
10

11
12 **VIII. THE OFFERING DOCUMENTS CONTAINED UNTRUE**
13 **STATEMENTS OF MATERIAL FACT**

14 222. The Offering Documents included material untrue statements or omitted
15 facts necessary to make the statements made, in light of the circumstances under which
16 they were made, not misleading.
17

18 223. For purposes of Section 11 liability, the prospectus supplements are part of
19 and included in the registration statements of the offerings pursuant to 17 C.F.R. §§
20 230.158, 230.430B (2008); *see also* Securities Offering Reform, 70 Fed. Reg. 44,722-
21 01, 44,768-69 (Aug. 3, 2005).
22

23 224. Statements in the Offering Documents concerning the following subjects
24 were material and untrue at the time they were made: (1) the Originators' evaluation of
25 the borrower's likelihood and capacity to repay the loan through application of the
26 stated underwriting standards, including the calculation and use of an accurate "debt-to-
27
28

1 income” ratio and the frequency and use of exceptions to those standards; (2) adherence
2 to stated underwriting standards for reduced documentation programs; (3) the accurate
3 calculation of the “loan-to-value” ratio for the mortgaged property and the accuracy of
4 appraisals; and (4) the existence of credit enhancement to minimize the risk of loss.

6 225. Countrywide originated 100% of the loans in the Alternative Loan Trust
7 2007-OA4 offering. Alternative Loan Trust 2007-OA4 Prospectus Supplement, Mar.
8 28, 2007, at S-33. Countrywide’s systematic disregard of its underwriting standards is
9 detailed in Section VII.D.3 (*supra*).
10

12 226. First Franklin originated all of the loans in the First Franklin Mortgage
13 Loan Trust 2006-FF4 offering. First Franklin Mortgage Loan Trust 2006-FF4
14 Prospectus Supplement, Mar. 27, 2006, at S-34. First Franklin’s systematic disregard
15 of its underwriting standards is detailed in Section VII.D.4 (*supra*).
16

17 227. Fremont originated all of the loans in the Fremont Home Loan Trust 2006-
18 D offering. Fremont Home Loan Trust 2006-D Prospectus Supplement, Nov. 1, 2006,
19 at 1. Fremont’s systematic disregard of its underwriting standards is detailed in Section
20 VII.D.5 (*supra*).
21

22 228. GreenPoint originated 100% of the loans in the GreenPoint Mortgage
23 Funding Trust 2006-OH1 offering. GreenPoint Mortgage Funding Trust 2006-OH1
24 Prospectus Supplement, December 21, 2006, at S-9. GreenPoint’s systematic disregard
25 of its underwriting standards is detailed in Section VII.D.6 (*supra*).
26
27

1 Mar. 28, 2007, at S-4 (29.9%); RALI Series 2007-QH5 Trust Prospectus Supplement,
2 May 29, 2007, at S-4 (33%); RALI Series 2007-QH6 Trust Prospectus Supplement,
3 June 27, 2007, at S-5 (43%). Homecomings's systematic disregard of its underwriting
4 standards is detailed in Section VII.D.7 (*supra*).
5

6 233. Examples of material untrue statements and/or omissions of fact from the
7 RMBS listed above follow.
8

9 **A. Untrue Statements Concerning Evaluation of the Borrower's**
10 **Capacity and Likelihood To Repay the Mortgage Loan.**

11 234. The Alternative Loan Trust 2007-OA4 Prospectus Supplement stated:

12 All of the Mortgage Loans will have been originated or acquired by
13 Countrywide Home Loans in accordance with its credit, appraisal and
14 underwriting standards. Countrywide Home Loans has been originating
15 mortgage loans since 1969. Countrywide Home Loans' underwriting
16 process are applied in accordance with applicable federal and state laws
17 and regulations. Except as otherwise provided in this prospectus
18 supplement, the underwriting procedures are consistent with those
identified under "Loan Program — Underwriting Standards" in the
prospectus.

19 Alternative Loan Trust 2007-OA4 Prospectus Supplement at S-33; *see* Alternative
20 Loan Trust 2007-OA4 Registration Statement, Feb. 7, 2006, at S-52.
21

22 235. The Alternative Loan Trust 2007-OA4 Prospectus Supplement also stated:

23 Countrywide Home Loans' underwriting standards are applied by or on
24 behalf of Countrywide Home Loans to evaluate the prospective
25 borrower's credit standing and repayment ability and the value and
26 adequacy of the mortgaged property as collateral. Under those standards,
27 a prospective borrower must generally demonstrate that the ratio of the
28 borrower's monthly housing expenses (including principal and interest on
the proposed mortgage loan and, as applicable, the related monthly

1 portion of property taxes, hazard insurance and mortgage insurance) to the
2 borrower's monthly gross income and the ratio of total monthly debt to
3 the monthly gross income (the "debt-to-income" ratios) are within
acceptable limits.

4 Alternative Loan Trust 2007-OA4 Prospectus Supplement at S-33-34; *see* Alternative
5 Loan Trust 2007-OA4 Registration Statement, Feb. 7, 2006, at S-53.
6

7 236. The Alternative Loan Trust 2007-OA4 Prospectus stated:

8 Underwriting standards are applied by or on behalf of a lender to evaluate
9 the borrower's credit standing and repayment ability, and the value and
10 adequacy of the related Property as collateral.

11 Alternative Loan Trust 2007-OA4 Prospectus, Nov. 14, 2006, at 25; *see* Alternative
12 Loan Trust 2007-OA4 Registration Statement, Feb. 7, 2006, at 25; *see id.* ("Once all
13 applicable employment, credit and property information is received, a determination
14 generally is made as to whether the prospective borrower has sufficient monthly income
15 available to meet monthly housing expenses and other financial obligations and
16 monthly living expenses and to meet the borrower's monthly obligations on the
17 proposed mortgage loan (generally determined on the basis of the monthly payments
18 due in the year of origination) and other expenses related to the mortgaged property
19 such as property taxes and hazard insurance[]). The underwriting standards applied by
20 sellers, particularly with respect to the level of loan documentation and the mortgagor's
21 income and credit history, may be varied in appropriate cases where factors as low
22 Loan-to-Value Ratios or other favorable credit factors exist.").

1 237. The First Franklin Mortgage Loan Trust 2006-FF4 Prospectus Supplement
2 stated:

3
4 The mortgage loans were originated or acquired generally in accordance
5 with the underwriting guidelines described in this prospectus supplement.
6 S-31

7 Since January 1, 2005, all of the mortgage loans of a type similar to
8 mortgage loans that were acquired by the responsible party were required
9 to meet the underwriting criteria described in this prospectus supplement.
10 S-34

11 The responsible party's acquisition underwriting standards are primarily
12 intended to assess the ability and willingness of the borrower to repay the
13 debt and to evaluate the adequacy of the mortgaged property as collateral
14 for the mortgage loan. S-34

15 Franklin Mortgage Loan Trust 2006-FF4 Prospectus Supplement at S-31, S-34; *see*
16 First Franklin Mortgage Loan Trust 2006-FF4 Free Writing Prospectus, Mar. 3, 2006,
17 at S-32, S-35.

18 238. The First Franklin Mortgage Loan Trust 2006-FF4 Prospectus stated:

19 The lender or an agent acting on the lender's behalf applies the
20 underwriting standards to evaluate the borrower's credit standing and
21 repayment ability, and to evaluate the value and adequacy of the
22 mortgaged property as collateral.

23 First Franklin Mortgage Loan Trust 2006-FF4 Prospectus, Nov. 17, 2005, at 26.

24 239. The First Franklin Mortgage Loan Trust 2006-FF4 Prospectus Supplement
25 stated:

26 While each underwriting program is intended to assess the risk of default,
27 the Direct Access Program makes use of credit bureau risk scores (the
28 "Credit Bureau Risk Score").

1 First Franklin Mortgage Loan Trust 2006-FF4 Prospectus Supplement at S-35; *see* First
2 Franklin Mortgage Loan Trust 2006-FF4 Free Writing Prospectus, Mar. 3, 2006, at S-
3 36.
4

5 240. The First Franklin Mortgage Loan Trust 2006-FF4 Registration Statement
6 and the First Franklin Mortgage Loan Trust 2006-FF4 Post-Effective Amendment No.
7 1 to Registration Statement stated:
8

9 All mortgage loans [] originates or acquires are generally
10 underwritten by [] according to its credit, appraisal and
11 underwriting standards. [], or its agents, apply such underwriting
12 standards to evaluate the prospective borrower's credit standing and
13 repayment ability and the value and adequacy of the mortgaged property
14 as collateral. These standards are applied in accordance with applicable
federal and state laws and regulations. [] permits exceptions to the
underwriting standards where compensating factors are present.

15 First Franklin Mortgage Loan Trust 2006-FF4 Registration Statement, Aug. 17,
16 2005, at S-10; First Franklin Mortgage Loan Trust 2006-FF4 Post-Effective
17 Amendment No. 1 to Registration Statement, Nov. 2, 2005, at S-10.
18

19 241. The First Franklin Mortgage Loan Trust 2006-FF4 Registration Statement
20 stated:
21

22 The mortgage loans were originated or acquired generally in accordance
23 with the underwriting guidelines described in this prospectus supplement.
See "The Underwriting Guidelines" below.

24 First Franklin Mortgage Loan Trust 2006-FF4 Registration Statement, Aug. 17,
25 2005, at S-25.
26

27 242. The First Franklin Mortgage Loan Trust 2006-FF4 Registration Statement
28

1 and the First Franklin Mortgage Loan Trust 2006-FF4 Post-Effective Amendment No.
2 1 to Registration Statement stated:

3
4 In the case of single family loans, cooperative loans and manufactured
5 housing contracts, once all applicable employment, credit and property
6 information is received, the lender makes a determination as to whether
7 the prospective borrower has sufficient monthly income available (as to
8 meet the borrower's monthly obligations on the proposed mortgage loan
and other expenses related to the mortgaged property such as property
taxes and hazard insurance).

9 First Franklin Mortgage Loan Trust 2006-FF4 Registration Statement, Aug. 17, 2005,
10 at 27; First Franklin Mortgage Loan Trust 2006-FF4 Post-Effective Amendment No. 1
11 to Registration Statement, Nov. 2, 2005, at 27; *see* First Franklin Mortgage Loan Trust
12 2006-FF4 Prospectus, Nov. 17, 2005, at 27.

14 243. The First Franklin Mortgage Loan Trust 2006-FF4 Registration Statement
15 and the First Franklin Mortgage Loan Trust 2006-FF4 Post-Effective Amendment No.
16 1 to Registration Statement stated:

18 The [] mortgage loans were originated generally in
19 accordance with one of the following income documentation types: "Full
20 Documentation," "Limited Documentation" or "Stated Income." The
21 Underwriting Guidelines are primarily intended to evaluate: (1) the
22 applicant's credit standing and repayment ability and (2) the value and
adequacy of the mortgaged property as collateral.

23 First Franklin Mortgage Loan Trust 2006-FF4 Registration Statement, Aug. 17,
24 2005, at S-28; First Franklin Mortgage Loan Trust 2006-FF4 Post-Effective
25 Amendment No. 1 to Registration Statement, Nov. 2, 2005, at S-28.

1 244. The First Franklin Mortgage Loan Trust 2006-FF4 Prospectus Supplement
2 stated:

3
4 Under the mortgage loan programs, various risk categories are used to
5 grade the likelihood that the applicant will satisfy the repayment
6 conditions of the loan.

7 First Franklin Mortgage Loan Trust 2006-FF4 Prospectus Supplement at S-37; *see*
8 First Franklin Mortgage Loan Trust 2006-FF4 Registration Statement, August 17,
9 2005, at S-29.

10 245. The Fremont Home Loan Trust 2006-D Prospectus stated:

11 Fremont Investment & Loan provides underwriters with specific
12 underwriting guidelines and maintains strict control procedures to
13 manage the quality of its originations at all locations.

14 Fremont Home Loan Trust 2006-D Prospectus, July 11, 2006, at 74; *see* Fremont Home
15 Loan Trust 2006-D Registration Statement, Mar. 17, 2006, at 74.

16 246. The Fremont Home Loan Trust 2006-D Prospectus stated:

17 Generally, Fremont Investment & Loan's guidelines require an analysis of
18 the following

- 19 • a borrower's creditworthiness, as reflected in particular by
20 the borrower's credit history and employment stability,
- 21 • a borrower's "debt-to-income ratio," which measures a
22 borrower's projected income relative to the proposed
23 mortgage payment and to other fixed obligations, and
- 24 • the "loan-to-value ratio" of the proposed loan, which
25 measures the adequacy of the mortgaged property to serve as
26 the collateral for a mortgage loan.

27 Fremont Home Loan Trust 2006-D Prospectus, July 11, 2006, at 74; *see* Fremont
28 Home Loan Trust 2006-D Registration Statement, Mar. 17, 2006, at 74.

1 247. The Fremont Home Loan Trust 2006-D Prospectus stated:

2 A borrower's lack of credit payment history and/or relatively low Credit
3 Score, however, will not necessarily preclude Fremont Investment & Loan
4 from making a loan if other favorable borrower characteristics exist, including
an adequate debt-to-income ratio or sufficient equity in the property.

5 Fremont Home Loan Trust 2006-D Prospectus, July 11, 2006, at 75; see Fremont Home
6 Loan Trust 2006-D Registration Statement, Mar. 17, 2006, at 75.

7
8 248. The Fremont Home Loan Trust 2006-D Prospectus stated:

9 Fremont Investment & Loan's underwriting standards are primarily
10 intended to assess the ability and willingness of the borrower to repay the
11 debt and to evaluate the adequacy of the mortgaged property as collateral
12 for the mortgage loan. All of the mortgage loans in the mortgage pool
13 were underwritten with a view toward the resale of the mortgage loans in
14 the secondary mortgage market. Fremont Investment & Loan considers,
among other things, a mortgagor's Credit Score, past payment history,
15 repayment ability and debt service-to-income ratio, as well as the value,
type and use of the mortgaged property.

16 The mortgage loans were underwritten in accordance with Fremont's
17 current underwriting programs, referred to as the Scored Programs
("Scored Programs"). Fremont Investment & Loan began originating
18 mortgage loans pursuant to Scored Programs in 2001 and the Scored
Programs have been the exclusive type of origination programs beginning
19 in 2004. Within the Scored Programs, there are three documentation
20 types, Full Documentation, Easy Documentation, and Stated Income. All
of the mortgage loans were originated in accordance with Fremont
21 Investment & Loan's underwriting guidelines, subject to various
22 exceptions as described in this section. A Credit Score is used along with,
but not limited to, mortgage payment history, seasoning on bankruptcy
23 and/or foreclosure, loan-to-value ratio as an aid to, not a substitute for, the
underwriter's judgment. Fremont Investment & Loan's underwriting staff
24 fully reviews each loan to determine whether it's underwriting guidelines
25 for income, assets, employment and collateral are met.

1 Fremont Home Loan Trust 2006-D Prospectus, July 11, 2006, at 76-77; *see* Fremont
2 Home Loan Trust 2006-D Registration Statement, Mar. 17, 2006, at 76-77.

3
4 249. The Fremont Home Loan Trust 2006-D Prospectus stated:

5 Fremont Investment & Loan conducts a number of quality control
6 procedures, including a post-funding compliance audit as well as a full
7 re-underwriting of a random selection of loans to assure asset quality.

8 Fremont Home Loan Trust 2006-D Prospectus, July 11, 2006, at 78; *see* Fremont Home
9 Loan Trust 2006-D Registration Statement, Mar. 17, 2006, at 78.

10 250. The Fremont Home Loan Trust 2006-D Free Writing Prospectus stated:

11
12 All of the mortgage loans were underwritten by Fremont's underwriters
13 having the appropriate approval authority. Each underwriter is granted a
14 level of authority commensurate with their proven judgment, experience
15 and credit skills. On a case by case basis, Fremont may determine that,
16 based upon compensating factors, a prospective mortgagor not strictly
17 qualifying under the underwriting risk category guidelines described
18 below is nonetheless qualified to receive a loan, i.e., an underwriting
19 exception. Compensating factors may include, but are not limited to, low
20 loan-to-value ratio, low debt to income ratio, substantial liquid assets,
21 good credit history, stable employment and time in residence at the
22 applicant's current address. It is expected that a substantial portion of the
23 mortgage loans may represent such underwriting exceptions.

24 Fremont Home Loan Trust 2006-D Free Writing Prospectus, Oct. 24, 2006, at 41; *see*

25 Fremont Home Loan Trust 2006-D Registration Statement, Mar. 17, 2006, at S-38.

26 251. The Fremont Home Loan Trust 2006-D Free Writing Prospectus stated:

27 Fremont conducts a number of quality control procedures, including a
28 post-funding review as well as a full re-underwriting of a random
selection of loans to assure asset quality. Under the funding review, all
loans are reviewed to verify credit grading, documentation compliance
and data accuracy. Under the asset quality procedure, a random selection

1 of each month's originations is reviewed. The loan review confirms the
2 existence and accuracy of legal documents, credit documentation,
3 appraisal analysis and underwriting decision. A report detailing review
4 findings and level of error is sent monthly to each loan production office
5 for response. The review findings and branch responses are then reviewed
6 by Fremont's senior management. Adverse findings are tracked monthly.
7 This review procedure allows Fremont to assess programs for potential
8 guideline changes, program enhancements, appraisal policies, areas of risk
9 to be reduced or eliminated and the need for additional staff training.

10 Fremont Home Loan Trust 2006-D Free Writing Prospectus, Oct. 24, 2006, at 42;
11 see Fremont Home Loan Trust 2006-D Registration Statement, Mar. 17, 2006, at S-
12 38-39.

13 252. The GreenPoint Mortgage Funding Trust 2006-OH1 Prospectus stated:

14 In general, each lender or loan seller will represent and warrant that all
15 mortgage loans originated and/or sold by it to us or one of our affiliates
16 will have been underwritten in accordance with standards consistent
17 with those used by mortgage lenders or manufactured home lenders
18 during the period of origination or such other standards as we have
19 required of such lender or loan seller, in any case, as specified in the
20 applicable prospectus supplement.

21 GreenPoint Mortgage Funding Trust 2006-OH1 Prospectus, Oct. 6, 2006, at 28-29; see
22 GreenPoint Mortgage Funding Trust 2006-OH1 Registration Statement, Mar. 29, 2006,
23 at 28-29.

24 253. The GreenPoint Mortgage Funding Trust 2006-OH1 Prospectus further
25 stated:

26 The lender or an agent acting on the lender's behalf applies the
27 underwriting standards to evaluate the borrower's credit standing and
28 repayment ability, and to evaluate the value and adequacy of the
mortgaged property as collateral. In general, the lender may require
that a prospective borrower fill out a detailed application designed to
provide to the underwriting officer pertinent credit information.

1 GreenPoint Mortgage Funding Trust 2006-OH1 Prospectus, Oct. 6, 2006, at 29; *see*
2 GreenPoint Mortgage Funding Trust 2006-OH1 Registration Statement, Mar. 29, 2006,
3 at 29; GreenPoint Mortgage Funding Trust 2006-OH1 Prospectus, Oct. 6, 2006, at 29
4 (“As a part of the description of the borrower’s financial condition, the lender may
5 require the borrower to provide a current list of assets and liabilities and a statement of
6 income and expense as well as an authorization to apply for a credit report, which
7 summarizes the borrower’s credit history with local merchants and lenders and any
8 record of bankruptcy. The lender may obtain employment verification from an
9 independent source (typically the borrower’s employer). The employment verification
10 reports the length of employment with that organization, the current salary and whether
11 it is expected that the borrower will continue such employment in the future. If a
12 prospective borrower is self employed, the lender may require the borrower to submit
13 copies of signed tax returns. The lender may require the borrower to authorize
14 verification of deposits at financial institutions where the borrower has demand or
15 savings accounts. In determining the adequacy of the mortgaged property as collateral,
16 the lender will generally obtain an appraisal to determine the fair market value of each
17 property considered for financing.”).

24 254. The GreenPoint Mortgage Funding Trust 2006-OH1 Prospectus stated:

25 In the case of single family loans, cooperative loans and manufactured
26 housing contracts, once all applicable employment, credit and property
27 information is received, the lender makes a determination as to whether
28 the prospective borrower has sufficient monthly income available (as to
meet the borrower’s monthly obligations on the proposed mortgage

1 loan and other expenses related to the mortgaged property such as
2 property taxes and hazard insurance). The underwriting standards
3 applied by lenders may be varied in appropriate cases where factors
such as low Loan-to-Value Ratios or other favorable credit factors
exist.

4 GreenPoint Mortgage Funding Trust 2006-OH1 Prospectus, Oct. 6, 2006, at 29; *see*
5 GreenPoint Mortgage Funding Trust 2006-OH1 Registration Statement, Mar. 29, 2006,
6 at 29.

8 255. The GreenPoint Mortgage Funding Trust 2006-OH1 Prospectus stated:
9 "All of the mortgage loans that GSMC may acquire through its conduit program will be
10 acquired generally in accordance with the underwriting criteria described in this
11 section." GreenPoint Mortgage Funding Trust 2006-OH1 Prospectus, Oct. 6, 2006, at
12 30.

14 256. The GreenPoint Mortgage Funding Trust 2006-OH1 Prospectus stated:

16 Generally, each borrower applying for a mortgage loan must complete
17 a credit application. The credit application is designed to provide the
18 originating lender with relevant credit information about the
19 prospective borrower such as information with respect to the
20 borrower's assets, liabilities, income (except as described below), credit
21 history, employment history and personal information. In addition,
22 prospective borrowers generally must provide an authorization to apply
23 for a credit report. A credit report summarizes the borrower's past
24 credit experience with lenders and other debtors, including any record
25 of bankruptcy. Sometimes, the borrower is required to authorize the
26 originating lender to verify deposits at financial institutions identified
27 by the borrower as institutions at which the borrower maintains demand
28 or savings accounts. The originating lender may also consider certain
non-wage income of the borrower in the underwriting process,
including income derived from mortgaged properties that are
investment properties or two- to four-unit dwellings. Generally, the
originating lender will not consider income derived from vacation or
second homes in the underwriting process. Certain borrowers with
acceptable payment histories are not required to state their income on
their loan application and, as a result, the originating lender does not
verify their income.

Based on the data referred to above (and verification of that data, to the

1 extent required), the originating lender makes a determination about
2 whether the borrower's monthly income (if required to be stated) will
3 be sufficient to enable the borrower to meet its monthly obligations on
4 the mortgage loan and other expenses related to the property, including
5 property taxes, utility costs, standard hazard insurance and other fixed
6 and revolving obligations other than housing expenses. Generally,
7 scheduled payments on a mortgage loan during the first twelve months
8 of its term plus taxes and insurance and all scheduled payments on
9 obligations that extend beyond ten months may equal no more than a
10 specified percentage of the prospective borrower's gross income. The
11 permitted percentage is determined on the basis of various underwriting
12 criteria, including the LTV ratio of the mortgage loan and, in certain
13 instances, the amount of liquid assets available to the borrower after
14 origination.

15 GreenPoint Mortgage Funding Trust 2006-OH1 Prospectus, Oct. 6, 2006, at 30; *see*
16 GreenPoint Mortgage Funding Trust 2006-OH1 Registration Statement, Mar. 29, 2006,
17 at 30.

18 257. The GreenPoint Mortgage Funding Trust 2006-OH1 Prospectus

19 Supplement provided:

20 *Underwriting Methodology.* The methodology used in underwriting
21 the extension of credit for each Mortgage Loan does not rely solely on
22 the extent of the Mortgagor's equity in the collateral as the principal
23 determining factor in approving such extension of credit. The
24 methodology employed objective criteria, such as the Mortgagor's
25 income, assets and liabilities, to the proposed mortgage payment and,
26 based on such methodology, the Mortgage Loan's originator made a
27 reasonable determination that at the time of origination the Mortgagor
28 had the ability to make timely payments on the Mortgage Loan. Such
underwriting methodology confirmed that at the time of origination
(application/approval) the Mortgagor had a reasonable ability to make
timely payments on the Mortgage Loan[.]

GreenPoint Mortgage Funding Trust 2006-OH1 Prospectus Supplement at S-58.

258. The GreenPoint Mortgage Funding Trust 2006-OH1 Prospectus

Supplement provided:

Acceptable Investment. There are no circumstances or conditions with
respect to the mortgage, the Mortgaged Property, the Mortgagor, the
mortgage file or the Mortgagor's credit standing that can reasonably be

1 expected to cause private institutional investors to regard the Mortgage
2 Loan as an unacceptable investment, cause the Mortgage Loan to
3 become delinquent, or adversely affect the value or marketability of the
4 Mortgage Loan, or cause the Mortgage Loans to prepay during any
5 period materially faster or slower than the mortgage loans originated by
6 the Seller generally[.]

7 GreenPoint Mortgage Funding Trust 2006-OH1 Prospectus Supplement at S-56.

8 259. The GSR Mortgage Loan Trust 2007-OA1 Prospectus stated:

9 The lender or an agent acting on the lender's behalf applies the
10 underwriting standards to evaluate the borrower's credit standing and
11 repayment ability, and to evaluate the value and adequacy of the
12 mortgaged property as collateral.

13 GSR Mortgage Loan Trust 2007-OA1 Prospectus, Feb. 13, 2007, at 29; GSR Mortgage
14 Loan Trust 2006-OA1 Prospectus, Aug. 3, 2006, at 29; *see* GSR Mortgage Loan Trust
15 2007-OA1 Registration Statement, Jan. 5, 2007, at 29; GSR Mortgage Loan Trust
16 2006-OA1 Registration Statement, Mar. 29, 2006, at 29.

17 260. The GSR Mortgage Loan Trust 2007-OA1 Prospectus stated:

18 In the case of single family loans, cooperative loans and manufactured
19 housing contracts, once all applicable employment, credit and property
20 information is received, the lender makes a determination as to whether
21 the prospective borrower has sufficient monthly income available (as to
22 meet the borrower's monthly obligations on the proposed mortgage loan
23 and other expenses related to the mortgaged property such as property
24 taxes and hazard insurance).

25 GSR Mortgage Loan Trust 2007-OA1 Prospectus, Feb. 13, 2007, at 29; GSR Mortgage
26 Loan Trust 2006-OA1 Prospectus, Aug. 3, 2006, at 29; *see also* GSR Mortgage Loan
27 Trust 2007-OA1 Registration Statement, Jan. 5, 2007, at 29; GSR Mortgage Loan Trust
28 2006-OA1 Registration Statement, Mar. 29, 2006, at 29.

1 261. The GSR Mortgage Loan Trust 2007-OA1 Prospectus stated:

2 All of the mortgage loans that GSMC may acquire through its conduit
3 program will be acquired generally in accordance with the underwriting
4 criteria described in this section.

5 ...

6 Generally, each borrower applying for a mortgage loan must complete
7 a credit application. The credit application is designed to provide the
8 originating lender with relevant credit information about the
9 prospective borrower such as information with respect to the
10 borrower's assets, liabilities, income (except as described below), credit
11 history, employment history and personal information. In addition,
12 prospective borrowers generally must provide an authorization to apply
13 for a credit report. . . . Certain borrowers with acceptable payment
14 histories are not required to state their income on their loan application
15 and, as a result, the originating lender does not verify their income.

16 Based on the data referred to above (and verification of that data, to the
17 extent required), the originating lender makes a determination about
18 whether the borrower's monthly income (if required to be stated) will
19 be sufficient to enable the borrower to meet its monthly obligations on
20 the mortgage loan and other expenses related to the property, including
21 property taxes, utility costs, standard hazard insurance and other fixed
22 and revolving obligations other than housing expenses. . . . The
23 permitted percentage is determined on the basis of various underwriting
24 criteria. . . .

25 GSR Mortgage Loan Trust 2007-OA1 Prospectus, Feb. 13, 2007, at 29-30; GSR
26 Mortgage Loan Trust 2006-OA1 Prospectus, Aug. 3, 2006, at 30; *see* GSR Mortgage
27 Loan Trust 2007-OA1 Registration Statement, Jan. 5, 2007, at 30; GSR Mortgage Loan
28 Trust 2006-OA1 Registration Statement, Mar. 29, 2006, at 30.

21 262. The GSR Mortgage Loan Trust 2007-OA1 Prospectus Supplement stated:

22 Countrywide Home Loans' underwriting standards are applied by or on
23 behalf of Countrywide Home Loans to evaluate the prospective
24 borrower's credit standing and repayment ability and the value and
25 adequacy of the mortgaged property as collateral. Under those standards,
26 a prospective borrower must generally demonstrate that the ratio of the
27 borrower's monthly housing expenses . . . are within acceptable limits. . . .
28 In addition to meeting the debt-to-income ratio guidelines, each
prospective borrower is required to have sufficient cash resources to pay

1 the down payment and closing costs. Exceptions to Countrywide Home
2 Loans' underwriting guidelines may be made if compensating factors are
3 demonstrated by a prospective borrower.

4 GSR Mortgage Loan Trust 2007-OA1 Prospectus Supplement at S-60; GSR Mortgage
5 Loan Trust 2006-OA1 Prospectus Supplement at S-51-52; *see* GSR Mortgage Loan
6 Trust 2007-OA1 Free Writing Prospectus, May 3, 2007, at S-50.

7
8 263. The GSR Mortgage Loan Trust 2007-OA1 Prospectus Supplement stated:

9 Quicken Loans' underwriting standards for the Secure Advantage
10 program follow prudent and generally accepted mortgage industry
11 underwriting standards and are intended to evaluate the borrower's credit
12 standing, repayment ability, and the value and adequacy of the proposed
mortgaged property as collateral.

13 GSR Mortgage Loan Trust 2007-OA1 Prospectus Supplement at S-65; *see* GSR
14 Mortgage Loan Trust 2007-OA1 Free Writing Prospectus, May 3, 2007, at S-55.

15
16 264. The GSR Mortgage Loan Trust 2007-OA1 Prospectus Supplement
17 represented:

18 Although borrowers are assessed against Quicken Loans' underwriting
19 standards, prudent exceptions may be made on a case by case basis.
20 Exceptions may be allowed if the application reflects strong compensating
21 factors, such as, a lower debt-to-income ratio, higher credit scores, low
22 loan-to-value ratio, significant asset reserves, stable employment or
ownership at current residence.

23 GSR Mortgage Loan Trust 2007-OA1 Prospectus Supplement at S-67; *see* GSR
24 Mortgage Loan Trust 2007-OA1 Free Writing Prospectus, May 3, 2007, at S-57.

25
26 265. The Long Beach Mortgage Loan Trust Series 2006-11 Amendment No. 1
27 to Registration Statement stated: "The sponsor's underwriting guidelines are primarily
28

1 intended to evaluate the prospective borrower's credit standing and repayment ability as
2 well as the value and adequacy of the mortgaged property as collateral." Long Beach
3 Mortgage Loan Trust Series 2006-11 Amendment No. 1 to Registration Statement,
4 Mar. 21, 2006, at S-38.

6 266. The Amendment No. 1 to Registration Statement also stated:

8 The depositor expects that the originator of each of the mortgage loans
9 will have applied, consistent with applicable federal and state laws and
10 regulations, underwriting procedures intended to evaluate the
borrower's credit standing and repayment ability and/or the value and
adequacy of the related mortgaged property as collateral.

11 Long Beach Mortgage Loan Trust Series 2006-11 Amendment No. 1 to Registration
12 Statement, Mar. 21, 2006, at 26; *see id.* at 2 ("Each mortgage loan to be transferred to a
13 trust will have been originated in accordance with the underwriting guidelines applied
14 by the originator of that mortgage loan."); Long Beach Mortgage Loan Trust 2006-11
15 Prospectus, July 21, 2006, at 28 ("The depositor expects that the originator of each of
16 the mortgage loans will have applied, consistent with applicable federal and state laws
17 and regulations, underwriting procedures intended to evaluate the borrower's credit
18 standing and repayment ability and/or the value and adequacy of the related mortgaged
19 property as collateral.").

23 267. The Long Beach Mortgage Loan Trust 2006-11 Amendment No. 1 to
24 Registration Statement stated:

26 During the underwriting or re-underwriting process, the sponsor reviews and
27 verifies the prospective borrower's sources of income (only under the full
documentation residential loan program), calculates the amount of income

1 from all such sources indicated on the loan application, reviews the credit
2 history and credit score(s) of the prospective borrower and calculates the
3 debt-to-income ratio to determine the prospective borrower's ability to repay
the loan, and determines whether the mortgaged property complies with the
sponsor's underwriting guidelines.

4 Long Beach Mortgage Loan Trust Series 2006-11 Amendment No. 1 to
5 Registration Statement, Mar. 21, 2006, at S-38; see Long Beach Mortgage
Loan Trust 2006 11 Prospectus, July 21, 2006, at 29:

6 Initially, a prospective borrower is required to complete an application with
7 respect to the applicant's liabilities, income and credit history and personal
8 information, as well as an authorization to apply for a credit report that
9 summarizes the borrower's reported credit history with local merchants and
10 lenders and any record of bankruptcy. In addition, an employment verification is
11 obtained that reports the borrower's current salary and may contain information
12 regarding length of employment. If a prospective borrower is self-employed, the
13 borrower is required to submit copies of signed tax returns or other proof of
14 business income. The borrower may also be required to authorize verification of
15 deposits at financial institutions where the borrower has demand or savings
16 accounts. In the case of a multifamily loan, commercial loan or mixed-use loan,
17 the mortgagor will also be required to provide certain information regarding the
18 related mortgaged property, including a current rent roll and operating income
19 statements which may be pro forma and unaudited. In addition, the originator
will generally also consider the location of the mortgaged property, the
availability of competitive lease space and rental income of comparable
properties in the relevant market area, the overall economy and demographic
features of the geographic area and the mortgagor's prior experience in owning
and operating properties similar to the multifamily properties or commercial
properties, as the case may be.

20 268. The Long Beach Mortgage Loan Trust 2006-11 Amendment No. 1 to
21 Registration Statement stated:

22
23 While the underwriting guidelines of each originator will have been
24 approved by an affiliate of the depositor, the underwriting guidelines,
including documentation requirements, of some originators may be less
25 restrictive than those of other originators. Moreover, some
underwriting guidelines may result in a less accurate assessment of the
26 borrower's credit standing and repayment ability and/or the value and
adequacy of the related mortgaged property as collateral.

1 Long Beach Mortgage Loan Trust 2006-11 Amendment No. 1 to Registration
2 Statement, Mar. 21, 2006, at 2; *see* Long Beach Mortgage Loan Trust 2006-11
3 Prospectus, July 21, 2006, at 3.
4

5 269. The RALI Series 2007-QH6 Trust Prospectus stated:

6 The depositor expects that the originator of each of the mortgage loans
7 will have applied, consistent with applicable federal and state laws and
8 regulations, underwriting procedures intended to evaluate the
9 borrower's credit standing and repayment ability and/or the value and
adequacy of the related property as collateral.

10 RALI Series 2007-QH6 Trust Prospectus, Apr. 9, 2007, at 17; RALI Series 2006-
11 QO10 Trust Prospectus, Dec. 6, 2006, at 12; RALI Series 2007-QH2 Trust Prospectus,
12 Dec/ 6, 2006, at 12; RALI Series 2007-QH3 Trust Prospectus, Dec. 6, 2006, at 12;
13 RALI Series 2007-QH5 Trust Prospectus, Apr. 9, 2007, at 17; RALI Series 2006-QO6
14 Trust Prospectus, Mar. 3, 2006, at 12; *see also* RALI Series 2007-QH6 Trust
15 Registration Statement, Feb. 12, 2007, at 17; RALI Series 2006-QO10 Trust
16 Registration Statement, Jan. 23, 2006, at 13; RALI Series 2007-QH2 Trust Registration
17 Statement, Jan. 23, 2006, at 13; RALI Series 2007-QH3 Trust Registration Statement,
18 Jan. 23, 2006, at 13; RALI Series 2007-QH5 Trust Registration Statement, Feb. 12,
19 2007, at 17; RALI Series 2006-QO6 Trust Registration Statement, Jan. 23, 2006, at 13.
20
21
22

23 270. The RALI Series 2007-QH6 Trust Prospectus Supplement stated:

24 Program Underwriting Standards. In accordance with the Seller Guide,
25 the Expanded Criteria Program Seller is required to review an application
26 designed to provide the original lender pertinent credit information
27 concerning the mortgagor. As part of the description of the mortgagor's
28

1 financial condition, each mortgagor is required to furnish information,
2 which may have been supplied solely in the application, regarding its
3 assets, liabilities, income (except as described below), credit history and
4 employment history, and to furnish an authorization to apply for a credit
5 report which summarizes the borrower's credit history with local
6 merchants and lenders and any record of bankruptcy.

7 RALI Series 2007-QH6 Trust Prospectus Supplement at S-47; RALI Series 2006-QO10
8 Trust Prospectus Supplement at S-48; RALI Series 2007-QH2 Trust Prospectus
9 Supplement at S-44; RALI Series 2007-QH3 Trust Prospectus Supplement at S-47;
10 RALI Series 2007-QH5 Trust Prospectus Supplement at S-53; RALI Series 2006-QO6
11 Trust Prospectus Supplement at S-45; *see* RALI Series 2007-QH6 Trust Registration
12 Statement, Feb.12, 2007, at S-42; RALI Series 2006-QO10 Trust Registration
13 Statement, Jan. 23, 2006, at S-43; RALI Series 2007-QH2 Trust Registration
14 Statement, Jan. 23, 2006, at S-43; RALI Series 2007-QH3 Trust Registration
15 Statement, Jan. 23, 2006, at S-43; RALI Series 2007-QH5 Trust Registration
16 Statement, Jan. 23, 2006, at S-43; RALI Series 2007-QH5 Trust Registration
17 Statement, Feb. 12, 2007, at S-42; RALI Series 2006-QO6 Trust Registration
18 Statement, Jan. 23, 2006, at S-43.

19
20 271. The RALI Series 2007-QH6 Trust Prospectus Supplement represented:

21
22 Based on the data provided in the application and certain verifications, if
23 required, a determination is made by the original lender that the mortgagor's
24 monthly income, if required to be stated, will be sufficient to enable the
25 mortgagor to meet its monthly obligations on the mortgage loan and other
26 expenses related to the property, including property taxes, utility costs,
27 standard hazard insurance and other fixed obligations.
28

1 RALI Series 2007-QH6 Trust Prospectus Supplement at S-48; RALI Series 2006-QO10
2 Trust Prospectus Supplement at S-48; RALI Series 2007-QH2 Trust Prospectus
3 Supplement at S-44; RALI Series 2007-QH3 Trust Prospectus Supplement, at S-47-48;
4 RALI Series 2007-QH5 Trust Prospectus Supplement at S-54; RALI Series 2006-QO6
5 Trust Prospectus Supplement at S-45; *see* RALI Series 2007-QH6 Trust Registration
6 Statement, Feb. 12, 2007, at S-42; RALI Series 2006-QO10 Trust Registration
7 Statement, Jan. 23, 2006, at S-43; RALI Series 2007-QH2 Trust Registration
8 Statement, Jan. 23, 2006, at S-43; RALI Series 2007-QH3 Trust Registration
9 Statement, Jan. 23, 2006, at S-43; RALI Series 2007-QH5 Trust Registration
10 Statement, Feb. 12, 2007, at S-42; RALI Series 2006-QO6 Trust Registration
11 Statement, Jan. 23, 2006, at S-43.

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16 272. UNTRUE STATEMENTS AND OMITTED INFORMATION: The
17 preceding statements were material at the time they were made, because the quality o
18 the loans in the mortgage pool directly affects the riskiness of the RMBS investment,
19 and the quality of the loans is dependent upon the underwriting process employed. The
20 preceding statements were untrue at the time they were made because, as alleged
21 herein, the Originators did not adhere to the stated underwriting guidelines, did not
22 effectively evaluate the borrowers' ability or likelihood to repay the loans, did not
23 properly evaluate whether the borrower's debt-to-income ratio supported a conclusion
24 that the borrower had the means to meet his/her monthly obligations, and did not ensure
25
26
27
28

1 that adequate compensating factors justified the granting of exceptions to guidelines.
2 Rather, as alleged herein, the Originators systematically disregarded the stated
3 underwriting guidelines in order to increase the volume of mortgages originated (*see*
4 *supra* Section VII.D). Further evidence of this fact is found in, among other things, the
5 surge in delinquencies and defaults shortly after the offerings (*see supra* Table 5), the
6 rate at which actual losses outpaced expected losses within the first year after the
7 offerings (*see supra* Figure 2), the collapse of the credit ratings (*see supra* Table 4), and
8 the fact that the Originators were engaged in high OTD lending (*see supra* Table 6).
9
10

11
12 **B. Untrue Statements Concerning Reduced Documentation Programs.**

13 273. The Alternative Loan Trust 2007-OA4 Prospectus Supplement
14 represented:

15 In connection with the Standard Underwriting Guidelines, Countrywide
16 Home Loans originates or acquires mortgage loans under the Full
17 Documentation Program, the Alternative Documentation Program, the
18 Reduced Documentation Program, the CLUES Plus Documentation
19 Program or the Streamlined Documentation Program.

20 The Alternative Documentation Program permits a borrower to provide
21 W-2 forms instead of tax returns covering the most recent two years,
22 permits bank statements in lieu of verification of deposits and permits
23 alternative methods of employment verification.

24 Under the Reduced Documentation Program, some underwriting
25 documentation concerning income, employment and asset verification is
26 waived. Countrywide Home Loans obtains from a prospective borrower
27 either a verification of deposit or bank statements for the two-month
28 period immediately before the date of the mortgage loan application or
verbal verification of employment. Since information relating to a
prospective borrower's income and employment is not verified, the

1 borrower's debt-to-income ratios are calculated based on the information
2 provided by the borrower in the mortgage loan application. The maximum
3 Loan-to-Value Ratio ranges up to 95%.

4 The CLUES Plus Documentation Program permits the verification of
5 employment by alternative means, if necessary, including verbal
6 verification of employment or reviewing paycheck stubs covering the pay
7 period immediately prior to the date of the mortgage loan application. To
8 verify the borrower's assets and the sufficiency of the borrower's funds
9 for closing, Countrywide Home Loans obtains deposit or bank account
10 statements from each prospective borrower for the month immediately
11 prior to the date of the mortgage loan application. Under the CLUES Plus
12 Documentation Program, the maximum Loan-to-Value Ratio is 75% and
property values may be based on appraisals comprising only interior and
exterior inspections. Generally, cash-out refinances and investor
properties are not permitted under the CLUES Plus Documentation
Program.

13 The Streamlined Documentation Program is available for borrowers who
14 are refinancing an existing mortgage loan that was originated or acquired
15 by Countrywide Home Loans provided that, among other things, the
16 mortgage loan has not been more than 30 days delinquent in payment
17 during the previous twelve-month period. Under the Streamlined
18 Documentation Program, appraisals are obtained only if the loan amount
19 of the loan being refinanced had a Loan-to-Value Ratio at the time of
20 origination in excess of 80% or if the loan amount of the new loan being
21 originated is greater than \$650,000. In addition, under the Streamlined
22 Documentation Program, a credit report is obtained but only a limited
credit review is conducted, no income or asset verification is required, and
telephonic verification of employment is permitted. The maximum Loan-
to-Value Ratio under the Streamlined Documentation Program ranges up
to 95%.

23 Alternative Loan Trust 2007-OA4 Prospectus Supplement at S-35-36; *see*
24 Alternative Loan Trust 2007-OA4 Registration Statement, February 7, 2006, at
25 S-55.
26

27 274. The First Franklin Mortgage Loan Trust 2006-FF4 Registration Statement
28

1 and the First Franklin Mortgage Loan Trust 2006-FF4 Post-Effective Amendment No.
2 1 to Registration Statement stated:
3

4 The no income/no asset verification program, emphasizes the value and
5 adequacy of the mortgaged property as collateral and credit history rather
6 than the borrower's verified income and assets. *Only borrowers with*
7 *excellent credit histories may obtain mortgage loans underwritten under*
8 *no income/no asset verification.*

9 First Franklin Mortgage Loan Trust 2006-FF4 Registration Statement, Aug. 17, 2005,
10 at S-12; First Franklin Mortgage Loan Trust 2006-FF4 Post-Effective Amendment No.
11 1 to Registration Statement, Nov. 2, 2005, at S-12. (Emphasis added.)

12 275. The First Franklin Mortgage Loan Trust 2006-FF4 Prospectus Supplement
13 stated:
14

15 ... under the [No Income Verification] Program, applicants are qualified
16 based on monthly income as stated on the mortgage application and the
17 underwriter will determine that the stated income is reasonable and
18 realistic when compared to borrower's employment type, assets and credit
19 history.

20 First Franklin Mortgage Loan Trust 2006-FF4 Prospectus Supplement at S-36; see First
21 Franklin Mortgage Loan Trust 2006-FF4 Free Writing Prospectus, Mar. 3, 2006, at S-
22 37.

23 276. The Fremont Home Loan Trust 2006-D Prospectus Supplement
24 represented:
25

26 There are three documentation types, Full Documentation ("Full
27 Documentation"), Easy Documentation ("Easy Documentation") and
28 Stated Income ("Stated Income"). Fremont's underwriters verify the

1 income of each applicant under various documentation types as follows:
2 under Full Documentation, applicants are generally required to submit
3 verification of stable income for the periods of one to two years preceding
4 the application dependent on credit profile; under Easy Documentation,
5 the borrower is qualified based on verification of adequate cash flow by
6 means of personal or business bank statements; under Stated Income,
7 applicants are qualified based on monthly income as stated on the
8 mortgage application. The income is not verified under the Stated Income
9 program; however, the income stated must be reasonable and customary
10 for the applicant's line of work.

11 Fremont Home Loan Trust 2006-D Prospectus Supplement at 41; *see* Fremont
12 Home Loan Trust 2006-D Prospectus, July 11, 2006, at 78.

13 277. The GreenPoint Mortgage Funding Trust 2006-OH1 Prospectus
14 Supplement stated:

15 GreenPoint acquires or originates many mortgage loans under "limited
16 documentation" or "no documentation" programs. Under limited
17 documentation programs, more emphasis is placed on the value and
18 adequacy of the mortgaged property as collateral, credit history and other
19 assets of the borrower, than on verified income of the borrower. Mortgage
20 loans underwritten under this type of program are generally limited to
21 borrowers with credit histories that demonstrate an established ability to
22 repay indebtedness in a timely fashion, and certain credit underwriting
23 documentation concerning income or income verification and/or
24 employment verification is waived. Mortgage loans originated and
25 acquired with limited documentation programs include cash-out refinance
26 loans, super-jumbo mortgage loans and mortgage loans secured by
27 investor-owned properties. Permitted maximum loan-to-value ratios
28 (including secondary financing) under limited documentation programs
are generally more restrictive than mortgage loans originated with full
documentation requirements. Under no documentation programs, income
ratios for the prospective borrower are not calculated. Emphasis is placed
on the value and adequacy of the mortgaged property as collateral and the
credit history of the prospective borrower, rather than on verified income
and assets of the borrower. Documentation concerning income,

1 employment verification and asset verification is not required and income
2 ratios are not calculated. Mortgage loans underwritten under no
3 documentation programs are generally limited to borrowers with favorable
4 credit histories and who satisfy other standards for limited documentation
5 programs.

6 GreenPoint Mortgage Funding Trust 2006-OH1 Prospectus Supplement at S-47.

7 278. With respect to Countrywide's documentation programs, the GSR
8 Mortgage Loan Trust 2007-OA1 Prospectus Supplement stated:

9 Under the No Income/No Asset Documentation Program, no
10 documentation relating to a prospective borrower's income, employment
11 or assets is required and therefore debt-to-income ratios are not calculated
12 or included in the underwriting analysis, or if the documentation or
13 calculations are included in a mortgage loan file, they are not taken into
14 account for purposes of the underwriting analysis. This program is
15 limited to borrowers with excellent credit histories. Under the No
16 Income/No Asset Documentation Program, the maximum Loan-to-Value
Ratio, including secondary financing, ranges up to 95%. Mortgage loans
originated under the No Income/No Asset Documentation Program are
generally eligible for sale to Fannie Mae or Freddie Mac.

17 GSR Mortgage Loan Trust 2007-OA1 Prospectus Supplement at S-64-65; GSR
18 Mortgage Loan Trust 2006-OA1 Prospectus Supplement at S-56; see GSR Mortgage
19 Loan Trust 2007-OA1 Free Writing Prospectus, May 3, 2007, at S-54.

20 279. The GSR Mortgage Loan Trust 2007-OA1 Prospectus Supplement
21 continued:
22

23 Under the Stated Income/Stated Asset Documentation Program, the
24 mortgage loan application is reviewed to determine that the stated income
25 is reasonable for the borrower's employment and that the stated assets are
26 consistent with the borrower's income.

27 GSR Mortgage Loan Trust 2007-OA1 Prospectus Supplement at S-65; GSR Mortgage
28

1 Loan Trust 2006-OA1 Prospectus Supplement at S-56; *see* GSR Mortgage Loan Trust
2 2007-OA1 Free Writing Prospectus, May 3, 2007, at S-55.
3

4 280. With respect to Quicken Loan's documentation programs, the GSR
5 Mortgage Loan Trust 2007-OA1 Prospectus Supplement stated:

6 Quicken Loans originates the Secure Advantage product under two
7 documentation programs: full and stated income/verified asset. Quicken
8 Loans' full documentation program requires the verification of liabilities,
9 income and assets. Acceptable documentation for income verification may
10 include, but is not limited to, the borrower's most recent pay stubs,
11 previous two years of W2 forms and a verbal verification of employment.
12 The borrower's assets are generally verified by obtaining two consecutive
13 months of bank account statements and such statements are reviewed to
14 ensure that sufficient funds are available to meet the asset reserve
15 requirements of the program.

16 Generally, under the stated income/verified assets program, the borrower
17 states his/her income and provides Quicken Loans with two years of
18 employment history. Quicken Loans verbally verifies the borrower's
19 employment history without confirmation of income. In determining the
20 borrower's ability to meet their monthly obligations, the stated income
21 amount is assessed relative to the borrower's current employment status
22 and tenure. Quicken Loans may also use various online sources to ensure
23 the borrower's stated income is reasonable relative to their employment
24 position. To verify a borrower's assets, Quicken Loans obtains bank
25 statements from the two most recent months and verifies that sufficient
26 funds are available to meet the asset reserve requirements of the program.

27 GSR Mortgage Loan Trust 2007-OA1 Prospectus Supplement at S-68; *see* GSR
28 Mortgage Loan Trust 2007-OA1 Free Writing Prospectus, May 3, 2007, at S-58.

29 281. The Long Beach Mortgage Loan Trust 2006-11 Prospectus Supplement
30 stated:

1 The mortgage loans have been, or will be, originated or re-underwritten
2 upon acquisition, generally in accordance with the Long Beach guidelines
3 under the Long Beach full documentation, limited documentation or stated
income documentation residential loan programs.

4 Under the full documentation residential loan program, salaried
5 prospective borrowers are generally required to submit their most recent
6 W-2s and pay stubs and self-employed prospective borrowers are
7 generally required to submit their most recent federal income tax return.
8 Under the stated income documentation residential loan program,
9 prospective borrowers are required to state their income on the application
10 but are not required to submit any documents in support. Under the
11 limited documentation residential loan program, salaried prospective
12 borrowers or self-employed prospective borrowers are generally required
13 to submit their most recent six months of personal bank statements or
14 business bank statements. Under the limited documentation and stated
15 income documentation residential loan programs, the prospective
16 borrower's employment and income sources must be stated on the
17 prospective borrower's application. The prospective borrower's income as
18 stated must be reasonable for the related occupation and such
19 determination as to reasonableness is subject to the loan underwriter's
20 discretion. However, the prospective borrower's income as stated on the
21 application is not independently verified. Verification of employment is
22 required for salaried prospective borrowers. Maximum loan-to-value
23 ratios under the stated income documentation residential loan programs
24 are generally lower than those permitted under the full documentation and
25 limited documentation residential loan programs. Generally, the same
26 underwriting guidelines that apply to the full documentation and limited
27 documentation residential loan programs, except as noted in this section,
28 apply to the stated income documentation residential loan programs.

22 Long Beach Mortgage Loan Trust 2006-11 Prospectus Supplement at S-38.

23 282. The RALI Series 2007-QH6 Trust Prospectus stated:

24 General Standards

25
26 In most cases, under a traditional "full documentation" program, each
27 mortgagor will have been required to complete an application designed to
28 provide to the original lender pertinent credit information concerning the

1 mortgagor. As part of the description of the mortgagor's financial
2 condition, the mortgagor will have furnished information, which may be
3 supplied solely in the application, with respect to its assets, liabilities,
4 income (except as described below), credit history, employment history
5 and personal information, and furnished an authorization to apply for a
6 credit report that summarizes the borrower's credit history with local
7 merchants and lenders and any record of bankruptcy. The mortgagor may
8 also have been required to authorize verifications of deposits at financial
9 institutions where the mortgagor had demand [f]or savings accounts. In
10 the case of investment properties and two- to four-unit dwellings, income
11 derived from the mortgaged property may have been considered for
12 underwriting purposes, in addition to the income of the mortgagor from
other sources. With respect to mortgaged property consisting of vacation
or second homes, no income derived from the property will have been
considered for underwriting purposes. In the case of certain borrowers
with acceptable payment histories, no income will be required to be stated,
or verified, in connection with the loan application.

13 If specified in the accompanying prospectus supplement, a mortgage pool
14 may include mortgage loans that have been underwritten pursuant to a
15 streamlined documentation refinancing program. Such program permits
16 some mortgage loans to be refinanced with only limited verification or
17 updating of the underwriting information that was obtained at the time that
18 the original mortgage loan was originated. For example, a new appraisal
19 of a mortgaged property may not be required if the related original
20 mortgage loan was originated up to 24 months prior to the refinancing. In
21 addition, a mortgagor's income may not be verified, although continued
22 employment is required to be verified. In certain circumstances, a
23 mortgagor may be permitted to borrow up to 100% of the outstanding
principal amount of the original mortgage loan. Each mortgage loan
underwritten pursuant to this program will be treated as having been
underwritten pursuant to the same underwriting documentation program
as the mortgage loan that it refinanced, including for purposes of the
disclosure in the accompanying prospectus supplement.

24 If specified in the accompanying prospectus supplement, some mortgage
25 loans may have been originated under "limited documentation," "stated
26 documentation" or "no documentation" programs that require less
27 documentation and verification than do traditional "full documentation"
28 programs. Under a limited documentation, stated documentation or no

1 documentation program, minimal investigation into the mortgagor's credit
2 history and income profile is undertaken by the originator and the
3 underwriting may be based primarily or entirely on an appraisal of the
4 mortgaged property and the LTV ratio at origination.

5 RALI Series 2007-QH6 Trust Prospectus, April 9, 2007 at 18; RALI Series 2006-
6 QO10 Trust Prospectus, Dec. 6, 2006, at 12-13; RALI Series 2007-QH2 Trust
7 Prospectus, Dec. 6, 2006, at 12-13; RALI Series 2007-QH3 Trust Prospectus, Dec. 6,
8 2006, at 12-13; RALI Series 2007-QH5 Trust Prospectus, April 9, 2007, at 18; RALI
9 Series 2006-QO6 Trust Prospectus, Mar. 3, 2006, at 12-13; *see also* RALI Series 2007-
10 QH6 Trust Registration Statement, Feb. 12, 2007, at 18; RALI Series 2006-QO10 Trust
11 Registration Statement, Jan. 23, 2006, at 13-14; RALI Series 2007-QH2 Trust
12 Registration Statement, Jan. 23, 2006, at 13-14; RALI Series 2007-QH3 Trust
13 Registration Statement, Jan. 23, 2006, at 13-14; RALI Series 2007-QH5 Trust
14 Registration Statement, Feb. 12, 2007, at 18; RALI Series 2006-QO6 Trust Registration
15 Statement, Jan. 23, 2006, at 13-14.

16
17
18
19 283. UNTRUE STATEMENTS AND OMITTED INFORMATION: The
20 preceding statements were material at the time they were made, because the quality of
21 the loans in the mortgage pool directly affects the riskiness of the RMBS investment,
22 and the quality of the loans is dependent upon the underwriting process employed. The
23 preceding statements were untrue at the time they were made, because regardless of the
24 documentation program purportedly employed, the Originators systematically
25 disregarded their underwriting guidelines in order to increase the volume of mortgages
26
27
28

1 originated, emphasizing quantity of loans rather than the quality of those loans (*see*
2 *supra* Section VII.D). Further evidence of this fact is found in, among other things, the
3 surge in delinquencies and defaults shortly after the offerings (*see supra* Table 5), the
4 huge discrepancy between expected and actual losses (*see supra* Figure 2), the collapse
5 of the credit ratings (*see supra* Table 4), and the fact that the Originators were engaged
6 in high OTD lending (*see supra* Table 6).
7
8

9 **C. Untrue Statements Concerning Loan-to-Value Ratios.**

10 284. The Alternative Loan Trust 2007-OA4 Prospectus Supplement stated:

11 Countrywide Home Loans' Standard Underwriting Guidelines for
12 mortgage loans with non-conforming original principal balances generally
13 allow Loan-to-Value Ratios at origination of up to 95% for purchase
14 money or rate and term refinance mortgage loans with original principal
15 balances of up to \$400,000, up to 90% for mortgage loans with original
16 principal balances of up to \$650,000, up to 75% for mortgage loans with
17 original principal balances of up to \$1,000,000, up to 65% for mortgage
18 loans with original principal balances of up to \$1,500,000, and up to 60%
19 for mortgage loans with original principal balances of up to \$2,000,000.

20 For cash-out refinance mortgage loans, Countrywide Home Loans'
21 Standard Underwriting Guidelines for mortgage loans with non-
22 conforming original principal balances generally allow Loan-to-Value
23 Ratios at origination of up to 75% and original principal balances ranging
24 up to \$650,000. The maximum "cash-out" amount permitted is \$200,000
25 and is based in part on the original Loan-to-Value Ratio of the related
26 mortgage loan. As used in this prospectus supplement, a refinance
27 mortgage loan is classified as a cash-out refinance mortgage loan by
28 Countrywide Home Loans if the borrower retains an amount greater than
the lesser of 2% of the entire amount of the proceeds from the refinancing
of the existing loan, or \$2,000.

Countrywide Home Loans' Standard Underwriting Guidelines for
conforming balance mortgage loans generally allow Loan-to-Value Ratios

1 at origination on owner occupied properties of up to 95% on 1 unit
2 properties with principal balances up to \$417,000 (\$625,500 in Alaska and
3 Hawaii) and 2 unit properties with principal balances up to \$533,850
4 (\$800,775 in Alaska and Hawaii) and up to 80% on 3 unit properties with
5 principal balances of up to \$645,300 (\$967,950 in Alaska and Hawaii) and
6 4 unit properties with principal balances of up to \$801,950 (\$1,202,925 in
7 Alaska and Hawaii). On second homes, Countrywide Home Loans'
8 Standard Underwriting Guidelines for conforming balance mortgage loans
9 generally allow Loan-to-Value Ratios at origination of up to 95% on 1
10 unit properties with principal balances up to \$417,000 (\$625,500 in
11 Alaska and Hawaii) and 2 unit properties with principal balances up to
12 \$533,850 (\$800,775 in Alaska and Hawaii) and up to 75% on 3 unit
13 properties with principal balances of up to \$645,300 (\$967,950 in Alaska
14 and Hawaii) and 4 unit properties with principal balances of up to
15 \$801,950 (\$1,202,925 in Alaska and Hawaii).

16 Alternative Loan Trust 2007-OA4 Prospectus Supplement at S-35. At S-36, the
17 Prospectus Supplement also included similar descriptions of the maximum loan-to-
18 value ratios permitted under Countrywide's "Expanded Underwriting Guidelines."

19 285. The First Franklin Mortgage Loan Trust 2006-FF4 Prospectus Supplement
20 represented:

21 Under the mortgage loan programs, various risk categories are used to
22 grade the likelihood that the applicant will satisfy the repayment
23 conditions of the loan. These risk categories establish the maximum
24 permitted loan-to-value ratio and loan amount, given the occupancy status
25 of the mortgaged property and the applicant's credit history and Debt
26 Ratio. In general, higher credit risk mortgage loans are graded in
27 categories which permit higher Debt Ratios and more (or more recent)
28 major derogatory credit items such as outstanding judgments or prior
bankruptcies; however these loan programs establish lower maximum
loan-to-value ratios and lower maximum loan amounts for loans graded in

1 such categories.

2 Franklin Mortgage Loan Trust 2006-FF4 Prospectus Supplement at S-37; *see* Franklin
3 Mortgage Loan Trust 2006-FF4 Free Writing Prospectus, Mar. 3, 2006, at S-38.
4

5 286. The Fremont Home Loan Trust 2006-D Prospectus Supplement stated:

6 “A+.” Under the “A+” category, an applicant must have no 30-day late
7 mortgage payments within the last 12 months and it must be at least 24
8 months since discharge of any Chapter 7 or Chapter 13 bankruptcy and/or
9 foreclosure. The maximum loan-to-value ratio is 100% with a minimum
10 Credit Score of 600. The maximum permitted loan-to-value ratio is
11 reduced for: reduced income documentation, non-owner occupied
properties, properties with 3-4 units, properties with rural characteristics
or credit scores below 600.

12 “A.” Under the “A” category, an applicant must have not more than one
13 30-day late mortgage payment within the last 12 months and it must be at
14 least 24 months since discharge of any Chapter 7 or Chapter 13
15 bankruptcy and/or foreclosure. The maximum loan-to-value ratio is 100%
16 with a minimum Credit Score of 600. The maximum permitted loan-to-
17 value ratio is reduced for: reduced income documentation, non-owner
occupied properties, properties with 3-4 units, properties with rural
characteristics or credit scores below 600.

18 “A-.” Under the “A-” category, an applicant must have not more than
19 three 30-day late mortgage payments within the last 12 months and it must
20 be at least 24 months since discharge of any Chapter 7 or Chapter 13
21 bankruptcy and/or foreclosure. The maximum loan-to-value ratio is 90%
22 with a minimum Credit Score of 550. The maximum permitted loan-to-
23 value ratio is reduced for: reduced income documentation, non-owner
occupied properties, properties with 3-4 units, properties with rural
characteristics or credit scores below 550.

24 “B.” Under the “B” category, an applicant must have not more than one
25 60-day late mortgage payment within the last 12 months and it must be at
26 least 18 months since discharge of any Chapter 7 or Chapter 13
27 bankruptcy and/or foreclosure. The maximum loan-to-value ratio is 90%
28 with a Credit Score of 550. The maximum permitted loan-to-value ratio is

1 reduced for: reduced income documentation, non-owner occupied
2 properties, properties with 3-4 units, properties with rural characteristics
3 or credit scores under 550.

4 "C." Under the "C" category, an applicant must not be more than 90 days
5 delinquent with respect to its current mortgage payment and it must be at
6 least 12 months since discharge of any Chapter 7 or Chapter 13
7 bankruptcy and/or foreclosure. The maximum permitted loan-to-value
8 ratio is 85% with a minimum Credit Score of 580. The maximum
9 permitted loan-to-value ratio is reduced for: reduced income
10 documentation, non-owner occupied properties, properties with 3-4 units,
11 or properties with rural characteristics.

12 "C-." Under the "C-" category, an applicant must not be more than 150
13 days delinquent with respect to its current mortgage payment and it must
14 not be subject of a Chapter 7 or Chapter 13 bankruptcy and/or foreclosure.
15 The maximum permitted loan-to-value ratio is 70% with a minimum
16 Credit Score of 500. The maximum permitted loan-to-value ratio is
17 reduced for: reduced income documentation, non-owner occupied
18 properties, properties with 3-4 units, or properties with rural
19 characteristics.

20 "D." Under the "D" category, an applicant must not be more than 180
21 days delinquent with respect to its current mortgage payment. Any
22 Chapter 7 or Chapter 13 bankruptcy proceedings and/or foreclosure
23 actions must be paid in connection with closing. The maximum permitted
24 loan-to-value ratio is 65% with a minimum Credit Score of 500. The
25 maximum permitted loan-to-value ratio is reduced to 60% if the property
26 is currently subject to foreclosure proceedings.

27 Fremont Home Loan Trust 2006-D Prospectus Supplement at 43-44; *see* Fremont
28 Home Loan Trust 2006-D Free Writing Prospectus, Oct. 24, 2006, at 43-44.

287. The GSR Mortgage Loan Trust 2007-OA1 Prospectus Supplement
represented:

Countrywide Home Loans' Standard Underwriting Guidelines for
mortgage loans with non-conforming original principal balances generally

1 allow Loan-to-Value Ratios at origination of up to 95% for purchase
2 money or rate and term refinance mortgage loans with original principal
3 balances of up to \$400,000, up to 90% for mortgage loans with original
4 principal balances of up to \$650,000, up to 75% for mortgage loans with
5 original principal balances of up to \$1,000,000, up to 65% for mortgage
6 loans with original principal balances of up to \$1,500,000, and up to 60%
7 for mortgage loans with original principal balances of up to \$2,000,000.

8 GSR Mortgage Loan Trust 2007-OA1 Prospectus Supplement at S-62; *see* GSR
9 Mortgage Loan Trust 2007-OA1 Free Writing Prospectus, Apr. 26, 2007, at S-51.

10 288. The GSR Mortgage Loan Trust 2007-OA1 Prospectus Supplement
11 continued:

12 Countrywide Home Loans' Expanded Underwriting Guidelines for
13 mortgage loans with non-conforming original principal balances generally
14 allow Loan-to-Value Ratios at origination of up to 95% for purchase
15 money or rate and term refinance mortgage loans with original principal
16 balances of up to \$400,000, up to 90% for mortgage loans with original
17 principal balances of up to \$650,000, up to 80% for mortgage loans with
18 original principal balances of up to \$1,000,000, up to 75% for mortgage
19 loans with original principal balances of up to \$1,500,000 and up to 70%
20 for mortgage loans with original principal balances of up to \$3,000,000.
21 Under certain circumstances, however, Countrywide Home Loans'
22 Expanded Underwriting Guidelines allow for Loan-to-Value Ratios of up
23 to 100% for purchase money mortgage loans with original principal
24 balances of up to \$375,000.

25 GSR Mortgage Loan Trust 2007-OA1 Prospectus Supplement at S-63; *see* GSR
26 Mortgage Loan Trust 2007-OA1 Free Writing Prospectus, Apr. 26, 2007, at S-53.

27 289. The Long Beach Mortgage Loan Trust 2006-11 Prospectus Supplement
28 stated:

The Long Beach underwriting guidelines permit first lien mortgage
loans with loan-to-value ratios at origination of up to 100%, or 80% if

1 at the time of origination of the first lien mortgage loan, the sponsor
2 also originated a second lien mortgage loan. The Long Beach second
3 lien mortgage loan underwriting guidelines permit second lien
4 mortgage loans with a combined loan-to-value ratios at origination of
5 up to 100%. The maximum allowable loan-to-value ratio varies based
6 upon the residential loan program, income documentation, property
7 type, creditworthiness and debt service-to-income ratio of the
8 prospective borrower and the overall risks associated with the loan
9 decision. The maximum combined loan-to-value ratio, including any
10 second lien mortgage subordinate to the sponsor's first lien mortgage,
11 is generally 100% under the "Premium A," "A," "A-," "B+" and "B"
12 risk categories, and 95% under the "C" risk category. Noninstitutional
13 (private party) second lien loans are not permitted.

14 Long Beach Mortgage Loan Trust 2006-11 Prospectus Supplement at S-37.

15 290. UNTRUE STATEMENTS AND OMITTED INFORMATION: The
16 preceding statements were material at the time they were made because the riskiness of
17 the RMBS investment is directly dependent on the quality of the underwriting process
18 and adequate assessment and limits on loan-to-value ratios (in addition to accurate
19 appraisals) is key to that process. The preceding statements were untrue at the time
20 they were made because the Originators did not adhere to the maximum loan-to-value
21 ratios as represented in the Offering Documents, encouraged inflated appraisals and
22 frequently granted loans with high loan-to-value ratios with no meaningful assessment
23 of the borrower's ability to repay the loan based on the borrower's credit profile (*see*
24 *supra* Section VII.D). Further evidence of this fact is found in, among other things, the
25 surge in delinquencies and defaults shortly after the offerings (*see supra* Table 5), the
26 huge discrepancy between expected and actual losses (*see supra* Figure 2), the collapse
27 of the credit ratings (*see supra* Table 4), and the fact that the Originators were engaged
28 in high OTD lending (*see supra* Table 6).

1 **D. Untrue Statements Concerning Credit Enhancement.**

2 291. The Alternative Loan Trust 2007-OA4 Prospectus Supplement
3 represented:

4
5 Credit enhancement provides limited protection to holders of certain
6 certificates against shortfalls in payments received on the mortgage loans.
7 This transaction employs the following forms of credit enhancement

8 Alternative Loan Trust 2007-OA4 Prospectus Supplement at S-12; *see* Alternative
9 Loan Trust 2007-OA4 Amended Registration Statement, Mar. 6, 2006, at S-14-15.

10 292. The First Franklin Mortgage Loan Trust 2006-FF4 Prospectus Supplement
11 represented:

12
13 The credit enhancement features described in this prospectus supplement
14 are intended to enhance the likelihood that holders of the Class A
15 certificates, and to a limited extent, the holders of the Class M-1, Class M-
16 2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7 and Class M-8
17 certificates and, to a lesser degree, the holders of the Class B-1 and Class
18 B-2 certificates, will receive regular payments of interest and principal.

19 First Franklin Mortgage Loan Trust 2006-FF4 Prospectus Supplement at S-19; *see* First
20 Franklin Mortgage Loan Trust 2006-FF4 Free Writing Prospectus, Mar. 3, 2006, at S-
21 20.

22 293. The Fremont Home Loan Trust 2006-D Prospectus stated:

23 The amount of any applicable credit enhancement supporting one or more
24 classes of offered securities, including the subordination of one or more
25 classes of securities, will be determined on the basis of criteria established
26 by each rating agency rating such classes of securities based on an
27 assumed level of defaults, delinquencies, other losses or other factors. We
28 cannot assure you, however, that the loss experience on the related assets
will not exceed these assumed levels.

1 Fremont Home Loan Trust 2006-D Prospectus, July 11, 2006, at 17; *see also* Fremont
2 Home Loan Trust 2006-D Registration Statement, Mar. 17, 2006, at 17.

3
4 294. The GreenPoint Mortgage Funding Trust 2006-OH1 Prospectus
5 Supplement stated:
6

7 The credit enhancement features described in this prospectus supplement
8 are intended to enhance the likelihood that holders of the class A
9 certificates, and to a limited extent, the holders of the class M-1, class M-
10 2, class M-3, class M-4, class M-5, class M-6, class M-7 and class M-8
certificates, will receive regular payments of interest and principal.

11 GreenPoint Mortgage Funding Trust 2006-OH1 Prospectus Supplement at S-26-
12 27.

13 295. The GSR Mortgage Loan Trust 2007-OA1 Prospectus Supplement stated:

14 The credit enhancement features described in this prospectus supplement
15 are intended to enhance the likelihood that holders of the senior
16 certificates, and to a limited extent, the holders of the subordinate
17 certificates, will receive regular payments of interest and principal.

18 GSR Mortgage Loan Trust 2007-OA1 Prospectus Supplement at S-32; *see* GSR
19 Mortgage Loan Trust 2006-OA1 Prospectus Supplement at S-28; GSR Mortgage Loan
20 Trust 2007-OA1 Free Writing Prospectus, Apr. 27, 2007, at S-25.

21
22 296. The Long Beach Mortgage Loan Trust 2006-11 Prospectus Supplement
23 stated:

24 The credit enhancement features described in the summary of this
25 prospectus supplement are intended to enhance the likelihood that holders
26 of the Class A Certificates, and to a limited extent, the holders of the
27 Mezzanine Certificates and the Class B Certificates, will receive regular
payments of interest and principal.

1 Long Beach Mortgage Loan Trust 2006-11 Prospectus Supplement at S-19; *see* Long
2 Beach Mortgage Loan Trust 2006-11 Registration Statement, Jan. 24, 2006, at the
3 "Risk Factors" section.
4

5 297. The RALI Series 2007-QH6 Trust Prospectus Supplement stated:

6 The credit enhancement for the benefit of the offered certificates consists
7 of:

8 Excess Cash Flow. Because more interest with respect to the mortgage
9 loans is payable by the mortgagors than is expected to be necessary to pay
10 the interest on the Class A, Class M and Class B Certificates each month
11 and related expenses, there may be excess cash flow. Some of this excess
12 cash flow may be used to protect the offered certificates against some
13 realized losses by making an additional payment of principal up to the
14 amount of the realized losses.

15 RALI Series 2007-QH6 Trust Prospectus Supplement at S-15; *see* RALI Series 2006-
16 QO10 Trust Prospectus Supplement at S-14; RALI Series 2007-QH2 Trust Prospectus
17 Supplement at S-13; RALI Series 2007-QH3 Trust Prospectus Supplement at S-13;
18 RALI Series 2007-QH5 Trust Prospectus Supplement at S-15; RALI Series 2006-QO6
19 Trust Prospectus Supplement at S-13.

20 298. UNTRUE STATEMENTS AND OMITTED INFORMATION: The
21 preceding statements were material at the time they were made, because U.S. Central
22 and WesCorp nearly always purchased the highest rated tranches of the RMBS, and
23 those highly rated tranches relied on the credit enhancement, which purportedly
24 afforded protection against financial loss. The preceding statements were untrue at the
25 time they were made, because, due to the Originators' systematic disregard of
26
27
28

1 underwriting standards, the mortgages in the pools were fatally impaired at the outset
2 and destined to fail (*see supra* Section VII.D). This rendered the protection allegedly
3 afforded by the credit enhancement in the highest tranches illusory. Further evidence of
4 the Originators' pervasive disregard of underwriting standards is found in the surge in
5 delinquencies and defaults shortly after the offerings (*see supra* Table 5); the huge
6 discrepancy between expected and actual losses (*see supra* Figure 2); the collapse of
7 the credit ratings (*see supra* Table 4); and the Originators' high OTD lending (*see*
8 *supra* Table 6).

9 IX. THE CLAIMS ARE TIMELY

10 299. For actions brought by the NCUA Board as Liquidating Agent, the FCU
11 Act extends the statute of limitations for at least three years from the date of the
12 appointment of the NCUA Board as Conservator or Liquidating Agent. *See* 12 U.S.C.
13 § 1787(b)(14)(B)(i).

14 300. The NCUA Board placed U.S. Central and WesCorp under
15 conservatorship and appointed itself as conservator on March 20, 2009. On October 1,
16 2010, the NCUA Board placed U.S. Central and WesCorp into liquidation and
17 appointed itself as Liquidating Agent.

18 301. Actions brought under Sections 11 and 12(a)(2) of the Securities Act must
19 be:

20 brought within one year after the discovery of the untrue statement or
21 the omission, or after such discovery should have been made by the
22 exercise of reasonable diligence. . . . In no event shall any such action
23

1 be brought to enforce a liability created under section 77k or 77l(a)(1)
2 of this title more than three years after the security was bona fide
3 offered to the public, or under section 77l(a)(2) of this title more than
4 three years after the sale.

5 15 U.S.C. § 77m.

6 302. Actions brought under section 17-12a509 of the Kansas Uniform
7 Securities Act must be brought within “within the earlier of two years after discovery of
8 the facts constituting the violation or five years after the violation.” Kan. Stat. Ann.
9 § 17-12a509(j).

10 303. Actions brought under section 25501 of the California Corporate
11 Securities Law must be brought within “five years after the act or transaction
12 constituting the violation or the expiration of two years after the discovery by the
13 plaintiff of the facts constituting the violation, whichever shall first expire.” Cal. Corp.
14 Code § 25506(b).

15 304. As the Federal Reserve Board noted in November 2008, the
16 “[d]eteriorating lending standards” and “the surge in early payment defaults suggests
17 that underwriting . . . deteriorated on dimensions that were less readily apparent to
18 investors.” Mayer, *The Rise in Mortgage Defaults* at 15-16; see also FSOC Risk
19 Retention Report at 9.

20 305. Accordingly, U.S. Central and WesCorp did not discover and could not
21 have discovered the untrue statements and/or misleading omissions in the Offering
22 Documents more than one year prior to March 20, 2009, the date on which the NCUA
23

Board placed U.S. Central and WesCorp into conservatorship.

306. In addition, U.S. Central and/or the NCUA Board as their Liquidating Agent are or were members of putative classes in the cases listed in Table 7, below. Therefore, the NCUA Board's claims are subject to legal tolling of the statute of limitations and statute of repose under the doctrine announced in *American Pipe & Constr. Co. v. Utah*, 414 U.S. 538 (1974) ("American Pipe") and its progeny.

Table 7

CUSIP	ISSUING ENTITY	BUYER	TRADE DATE	American Pipe Tolling Commencement Date
02150DAC9	Alternative Loan Trust 2007-OA4	WesCorp	20-Mar-07	<i>Luther v. Countrywide</i> , BC380698 (Cal. Superior Court L.A. County) Complaint Filed: November 14, 2007, <i>Maine v. Countrywide</i> , No. 10-302 (C.D.C.A.) Complaint Filed: January 14, 2010. <i>Washington v. Countrywide</i> , BC 392571 (Cal. Superior Court L.A. County) Complaint Filed: June 12, 2008, consolidated into <i>Luther v. Countrywide</i> , BC380698 (Cal. Superior Court L.A. County)
3622NAAB 6	GSR Mortgage Loan Trust 2007-OA1	WesCorp	4-May-07	<i>NECA-IBEW v. Goldman</i> , No. 08-10783 (S.D.N.Y.) Complaint Filed: December 11, 2008
3622NAAG 5	GSR Mortgage Loan Trust 2007-OA1	WesCorp	4-May-07	<i>NECA-IBEW v. Goldman</i> , No. 08-10783 (S.D.N.Y.) Complaint Filed: December 11, 2008
751153AC1	RALI Series 2006-QO10 Trust	WesCorp	14-Dec-06	<i>New Jersey Carpenters v. RALI</i> No. 08-602727 (New York State Supreme Ct.) Class Action Complaint Filed: September 22, 2008, Removed to No. 08-8781 (S.D.N.Y.)
74922JAC2	RALI Series 2007-QH2 Trust	WesCorp	16-Feb-07	<i>New Jersey Carpenters v. RALI</i> , No. 08-8781 (S.D.N.Y.) Consolidated Amended Complaint Filed: May 18, 2009
74922WAB 5	RALI Series 2007-QH3 Trust	WesCorp	28-Mar-07	<i>New Jersey Carpenters v. RALI</i> , No. 08-8781 (S.D.N.Y.) Consolidated Amended Complaint Filed: May 18, 2009

CUSIP	ISSUING ENTITY	BUYER	TRADE DATE	American Pipe Tolling Commencement Date
74922WAC3	RALI Series 2007-QH3 Trust	WesCorp	28-Mar-07	<i>New Jersey Carpenters v. RALI</i> , No. 08-8781 (S.D.N.Y.) Consolidated Amended Complaint Filed: May 18, 2009
75116EAB8	RALI Series 2007-QH5 Trust	WesCorp	24-May-07	<i>New Jersey Carpenters v. RALI</i> , No. 08-8781 (S.D.N.Y.) Consolidated Amended Complaint Filed: May 18, 2009
75116EAC6	RALI Series 2007-QH5 Trust	WesCorp	24-May-07	<i>New Jersey Carpenters v. RALI</i> , No. 08-8781 (S.D.N.Y.) Consolidated Amended Complaint Filed: May 18, 2009
74922AAB3	RALI Series 2007-QH6 Trust	WesCorp	21-Jun-07	<i>New Jersey Carpenters v. RALI</i> , No. 08-8781 (S.D.N.Y.) Consolidated Amended Complaint Filed: May 18, 2009
74922AAC1	RALI Series 2007-QH6 Trust	WesCorp	21-Jun-07	<i>New Jersey Carpenters v. RALI</i> , No. 08-8781 (S.D.N.Y.) Consolidated Amended Complaint Filed: May 18, 2009
75114NAC8	RALI Series 2006-QO6 Trust	WesCorp	11-Oct-06	<i>New Jersey Carpenters v. RALI</i> , 08-602727 (New York State Supreme Ct.) Class Action Complaint Filed: September 22, 2008, Removed to No. 08-8781 (S.D.N.Y.)
75116EAA0	RALI Series 2007-QH5 Trust	WesCorp	30-May-07	<i>New Jersey Carpenters v. RALI</i> , No. 08-8781 (S.D.N.Y.) Consolidated Amended Complaint Filed: May 18, 2009

307. With respect to those RMBS purchases for which the NCUA Board asserts claims under Section 11 of the Securities Act (Claims One through Five), the earliest date they were bona fide offered to the public was June 28, 2006, or not more than three years prior to March 20, 2009. Accordingly, the NCUA Board's Section 11 claims are not time-barred.

308. With respect to those RMBS purchases for which the NCUA Board asserts claims under Section 12(a)(2) (Claim Six), the earliest sale was December 14, 2006, or not more than three years prior to March 20, 2009. Accordingly, the NCUA Board's

1 Section 12(a)(2) claims are not time-barred.

2 309. With respect to those RMBS purchases for which the NCUA Board asserts
3 claims under state law (Claims Seven and Eight), the earliest purchase date/offering
4 date with respect to those claims was March 3, 2006, or not more than five years prior
5 to March 20, 2009. Accordingly, the NCUA Board's state law claims are not time-
6 barred.
7

8
9 **X. CLAIMS FOR RELIEF**

10 **FIRST CLAIM FOR RELIEF**

11 **Section 11 of the Securities Act of 1933**
12 **(Alternative Loan Trust 2007-OA4)**

13 310. The NCUA Board realleges paragraphs 1 through 309 of this Complaint,
14 as though fully set forth here, except those paragraphs specific to offerings other than
15 the Alternative Loan Trust 2007-OA4 Offering.
16

17 311. The NCUA Board brings this cause of action pursuant to Section 11 of the
18 Securities Act, with respect to WesCorp's purchases of the Alternative Loan Trust
19 2007-OA4 certificates against Defendant Goldman Sachs as the underwriter.
20

21 312. The NCUA Board expressly disclaims and disavows any allegation that
22 could be construed as alleging fraud.
23

24 313. At the time the registration statement became effective, it (including the
25 prospectus and any prospectus supplements) contained untrue statements and omitted
26 facts that were necessary to make the statements made not misleading, as alleged
27
28

1 above.

2 314. The untrue statements and omitted facts were material because a
3
4 reasonably prudent investor deciding whether to purchase the certificates would have
5 viewed them as important and as substantially altering the total mix of information
6 available, as alleged above.

7
8 315. WesCorp purchased the certificates pursuant to and traceable to a defective
9 registration statement, as alleged above.

10 316. At the time WesCorp purchased the certificates, it did not know of the
11
12 untrue statements and omissions contained in the registration statement.

13 317. Defendant Goldman Sachs's conduct as alleged above violated Section 11.

14 318. WesCorp and Plaintiff sustained damages as a result of Defendant
15
16 Goldman Sachs's violations of Section 11.

17 WHEREFORE, the NCUA Board requests the Court to enter judgment in its
18 favor against Defendant Goldman Sachs awarding all damages, in an amount to be
19 proven at trial, costs, and such other relief as the Court deems appropriate and just.

20 **SECOND CLAIM FOR RELIEF**

21 **Section 11 of the Securities Act of 1933**
22 **(Fremont Home Loan Trust 2006-D)**

23 319. The NCUA Board realleges paragraphs 1 through 309 of this Complaint,
24 as though fully set forth here, except those paragraphs specific to the Issuer Defendants
25 other than Fremont Mortgage Securities Corporation or specific to offerings other than
26 the Fremont Home Loan Trust 2006-D Offering.
27

320. The NCUA Board brings this cause of action pursuant to Section 11 of the Securities Act, with respect to U.S. Central's purchases of the Fremont Home Loan Trust 2006-D certificates against Defendant Goldman Sachs, as the underwriter, and against Defendant Fremont Mortgage Securities Corporation as the issuer.

321. The NCUA Board expressly disclaims and disavows any allegation that
could be construed as alleging fraud.

9 322. At the time the registration statement became effective, it (including the
10 prospectus and any prospectus supplements) contained untrue statements and omitted
11 facts that were necessary to make the statements made not misleading, as alleged
12 above.
13

323. The untrue statements and omitted facts were material because a reasonably prudent investor deciding whether to purchase the certificates would have viewed them as important and as substantially altering the total mix of information available, as alleged above..

20 324. U.S. Central purchased the certificates pursuant to and traceable to a
21 defective registration statement, as alleged above.

325. At the time U.S. Central purchased the certificates, it did not know of the untrue statements and omissions contained in the registration statement.

326. Defendant Goldman Sachs's and Defendant Fremont Mortgage Securities Corporation's conduct as alleged above violated Section 11.

1 327. U.S. Central and Plaintiff sustained damages as a result of Defendant
2 Goldman Sachs's and Defendant Fremont Mortgage Securities Corporation's violations
3 of Section 11.
4

5 WHEREFORE, the NCUA Board requests the Court to enter judgment in its
6 favor against Defendant Goldman Sachs and Defendant Fremont Mortgage
7 Securities Corporation, jointly and severally, awarding all damages, in an amount to
8 be proven at trial, costs, and such other relief as the Court deems appropriate and
9 just.

10 **THIRD CLAIM FOR RELIEF**

11 **Section 11 of the Securities Act of 1933**

12 **(GSR Mortgage Loan Trust 2006-OA1, GSR Mortgage Loan Trust 2007-OA1,
13 GreenPoint Mortgage Funding Trust 2006-OH1)**

14 328. The NCUA Board realleges paragraphs 1 through 309 of this Complaint,
15 as though fully set forth here, except those paragraphs specific to the Issuer Defendants
16 other than GS Mortgage Securities Corp., or specific to offerings other than the GSR
17 Mortgage Loan Trust 2006-OA1, GSR Mortgage Loan Trust 2007-OA1, and
18 GreenPoint Mortgage Funding Trust 2006-OH1 Offerings.
19

20 329. The NCUA Board brings this cause of action pursuant to Section 11 of the
21 Securities Act, with respect to WesCorp's purchases of the GSR Mortgage Loan Trust
22 2006-OA1, GSR Mortgage Loan Trust 2007-OA1, and GreenPoint Mortgage Funding
23 Trust 2006-OH1 certificates against Defendant Goldman Sachs, as the underwriter, and
24 against Defendant GS Mortgage Securities Corp., as the issuer.
25

26 330. The NCUA Board expressly disclaims and disavows any allegation that
27
28

1 could be construed as alleging fraud.

2 331. At the time the registration statement became effective, it (including the
3 prospectus and any prospectus supplements) contained untrue statements and omitted
4 facts that were necessary to make the statements made not misleading, as alleged
5 above.
6

7 332. The untrue statements and omitted facts were material because a
8 reasonably prudent investor deciding whether to purchase the certificates would have
9 viewed them as important and as substantially altering the total mix of information
10 available, as alleged above.
11

12 333. WesCorp purchased the certificates pursuant to and traceable to a defective
13 registration statement, as alleged above.
14

15 334. At the time WesCorp purchased the certificates, it did not know of the
16 untrue statements and omissions contained in the registration statement.
17

18 335. Defendant Goldman Sachs's and Defendant GS Mortgage Securities
19 Corp.'s conduct as alleged above violated Section 11.
20

21 336. WesCorp and Plaintiff sustained damages as a result of Defendant
22 Goldman Sachs's and Defendant GS Mortgage Securities Corp.'s violations of Section
23 11.
24

25 WHEREFORE, the NCUA Board requests the Court to enter judgment in its
26 favor against Defendant Goldman Sachs and Defendant GS Mortgage Securities
27 Corp., jointly and severally, awarding all damages, in an amount to be proven at
28

1 trial, costs, and such other relief as the Court deems appropriate and just.

2 **FOURTH CLAIM FOR RELIEF**

3 **Section 11 of the Securities Act of 1933**
4 **(Long Beach Mortgage Loan Trust 2006-11)**

5 337. The NCUA Board realleges paragraphs 1 through 309 of this Complaint,
6 as though fully set forth here, except those paragraphs specific to the Issuer Defendants
7 other than Long Beach Securities Corp. or specific to offerings other than the Long
8 Beach Mortgage Loan Trust 2006-11 Offering.

9
10 338. The NCUA Board brings this cause of action pursuant to Section 11 of the
11 Securities Act, with respect to U.S. Central's purchases of the Long Beach Mortgage
12 Loan Trust 2006-11 certificates against Defendant Goldman Sachs, as the underwriter,
13 and against Defendant Long Beach Securities Corp. as the issuer.

14
15 339. The NCUA Board expressly disclaims and disavows any allegation that
16 could be construed as alleging fraud.

17
18 340. At the time the registration statement became effective, it (including the
19 prospectus and any prospectus supplements) contained untrue statements and omitted
20 facts that were necessary to make the statements made not misleading, as alleged
21 above.

22
23 341. The untrue statements and omitted facts were material because a
24 reasonably prudent investor deciding whether to purchase the certificates would have
25 viewed them as important and as substantially altering the total mix of information
26

1 available, as alleged above.

2 342. U.S. Central purchased the certificates pursuant to and traceable to a
3 defective registration statement, as alleged above.
4

5 343. At the time U.S. Central purchased the certificates, it did not know of the
6 untrue statements and omissions contained in the registration statement.
7

8 344. Defendant Goldman Sachs's and Defendant Long Beach Securities Corp.'s
9 conduct as alleged above violated Section 11.

10 345. U.S. Central and Plaintiff sustained damages as a result of Defendant
11 Goldman Sachs's and Defendant Long Beach Securities Corp.'s violations of Section
12 11.
13

14 WHEREFORE, the NCUA Board requests the Court to enter judgment in its
15 favor against Defendant Goldman Sachs and Defendant Long Beach Securities
16 Corp., jointly and severally, awarding all damages, in an amount to be proven at
17 trial, costs, and such other relief as the Court deems appropriate and just.
18

19 **FIFTH CLAIM FOR RELIEF**

20 **Section 11 of the Securities Act of 1933**

21 **(RALI Series 2006-QO6 Trust, RALI Series 2006-QO10 Trust,
22 RALI Series 2007-QH2 Trust, RALI Series 2007-QH3 Trust,
23 RALI Series 2007-QH5 Trust, RALI Series 2007-QH6 Trust)**

24 346. The NCUA Board realleges paragraphs 1 through 309 of this Complaint,
25 as though fully set forth here, except those paragraphs specific to the Issuer Defendants
26 other than Residential Accredited Loans, Inc., or specific to offerings other than the RALI
27 Series 2006-QO6 Trust, RALI Series 2006-QO10 Trust, RALI Series 2007-QH2 Trust,
28

1 RALI Series 2007-QH3 Trust, RALI Series 2007-QH5 Trust and RALI Series 2007-
2 QH6 Trust Offerings.

3
4 347. The NCUA Board brings this cause of action pursuant to Section 11 of the
5 Securities Act, with respect to WesCorp's purchases of the RALI Series 2006-QO6
6 Trust, RALI Series 2006-QO10 Trust, RALI Series 2007-QH2 Trust, RALI Series
7 2007-QH3 Trust, RALI Series 2007-QH5 Trust and RALI Series 2007-QH6 Trust
8 certificates against Defendant Goldman Sachs, as the underwriter, and against
9 Defendant Residential Accredit Loans, Inc., as the issuer.
10

11
12 348. The NCUA Board expressly disclaims and disavows any allegation that
13 could be construed as alleging fraud.

14
15 349. At the time the registration statement became effective, it (including the
16 prospectus and any prospectus supplements) contained untrue statements and omitted
17 facts that were necessary to make the statements made not misleading, as alleged
18 above.
19

20 350. The untrue statements and omitted facts were material because a
21 reasonably prudent investor deciding whether to purchase the certificates would have
22 viewed them as important and as substantially altering the total mix of information
23 available, as alleged above.
24

25 351. WesCorp purchased the certificates pursuant to and traceable to a defective
26 registration statement, as alleged above.
27

1 352. At the time WesCorp purchased the certificates, it did not know of the
2 untrue statements and omissions contained in the registration statement.

3
4 353. Defendant Goldman Sachs's and Defendant Residential Accredit Loans,
5 Inc.'s conduct as alleged above violated Section 11.

6
7 354. WesCorp and Plaintiff sustained damages as a result of Defendant
8 Goldman Sachs's and Defendant Residential Accredit Loans, Inc.'s violations of
9 Section 11.

10 WHEREFORE, the NCUA Board requests the Court to enter judgment in its
11 favor against Defendant Goldman Sachs and Defendant Residential Accredit Loans,
12 Inc., jointly and severally, awarding all damages, in an amount to be proven at trial,
13 costs, and such other relief as the Court deems appropriate and just.
14

15
16 **SIXTH CLAIM FOR RELIEF**

17 **Section 12(a)(2) of the Securities Act of 1933**

18 **(Alternative Loan Trust 2007-OA4, GSR Mortgage Loan Trust 2007-OA1,
19 RALI Series 2006-QO10 Trust, RALI Series 2007-QH2 Trust, RALI Series
2007-QH3 Trust, RALI Series 2007-QH5 Trust, RALI Series 2007-QH6 Trust)**

20 355. The NCUA Board realleges paragraphs 1 through 309 of this Complaint,
21 as though fully set forth here, except those paragraphs specific to offerings other than
22 the Alternative Loan Trust 2007-OA4, GSR Mortgage Loan Trust 2007-OA1, RALI
23 Series 2006-QO10 Trust, RALI Series 2007-QH2 Trust, RALI Series 2007-QH3 Trust,
24 RALI Series 2007-QH5 Trust and RALI Series 2007-QH6 Trust offerings.
25

26 356. The NCUA Board brings this cause of action pursuant to Section 12(a)(2)
27

1 of the Securities Act, with respect to WesCorp's purchases of the Alternative Loan
2 Trust 2007-OA4, GSR Mortgage Loan Trust 2007-OA1, RALI Series 2006-QO10
3 Trust, RALI Series 2007-QH2 Trust, RALI Series 2007-QH3 Trust, RALI Series 2007-
4 QH5 Trust and RALI Series 2007-QH6 Trust certificates against Defendant Goldman
5 Sachs, as the underwriter and seller of those certificates.
6

7
8 357. The NCUA Board expressly disclaims and disavows any allegation that
9 could be construed as alleging fraud.

10 358. Defendant Goldman Sachs offered to sell and sold the securities to
11 WesCorp through one or more instrumentalities of interstate commerce (*i.e.*, telephone,
12 faxes, mails, e-mail, or other means of electronic communication).
13

14 359. Defendant Goldman Sachs offered to sell and sold the securities, for its
15 own financial gain, to WesCorp by means of the prospectuses and/or prospectus
16 supplements, as alleged above, and/or oral communications related to the prospectuses
17 and/or prospectus supplements.
18

19
20 360. The prospectuses and/or prospectus supplements contained untrue
21 statements and omitted facts that were necessary to make the statements made not
22 misleading, as alleged above.
23

24 361. The untrue statements and omitted facts were material because a
25 reasonably prudent investor deciding whether to purchase the certificates would have
26 viewed them as important and as substantially altering the total mix of information
27

1 available, as alleged above.

2 362. WesCorp purchased the certificates on the initial offering pursuant to the
3
4 prospectuses and/or prospectus supplements.

5 363. At the time WesCorp purchased the certificates, it did not know of the
6
7 untrue statements and omissions contained in the prospectuses and/or prospectus
8 supplements.

9 364. Defendant Goldman Sachs's conduct as alleged above violated Section
10 12(a)(2).

11
12 365. WesCorp and Plaintiff sustained damages as a result of Defendant
13 Goldman Sachs's violations of Section 12(a)(2).

14 366. Under Section 12(a)(2), the NCUA Board is entitled to rescind and recover
15
16 the consideration WesCorp paid for the certificates, minus principal and interest
17 received.

18
19 WHEREFORE, the NCUA Board requests the Court to enter judgment in its
20 favor against Defendant Goldman Sachs, awarding a rescissory measure of damages, or
21 in the alternative compensatory damages, in an amount to be proven at trial; costs, and
22 such other relief as the Court deems appropriate and just.

23
24 **SEVENTH CLAIM FOR RELIEF**

25 **Violation of the California Corporate Securities Law of 1968**

26 **Cal. Corp. Code §§ 25401 and 25501**

27 **(Alternative Loan Trust 2007-OA4, GSR Mortgage Loan Trust 2007-OA1,
28 RALI Series 2006-QO10 Trust, RALI Series 2007-QH2 Trust, RALI Series**

1 **2007-QH3 Trust, RALI Series 2007-QH5 Trust, RALI Series 2007-QH6 Trust)**

2 367. The NCUA Board realleges paragraphs 1 through 309 of this Complaint,
3
4 as though fully set forth here, except those paragraphs specific to offerings other than
5 the Alternative Loan Trust 2007-OA4, GSR Mortgage Loan Trust 2007-OA1, RALI
6 Series 2006-QO10 Trust, RALI Series 2007-QH2 Trust, RALI Series 2007-QH3 Trust,
7
8 RALI Series 2007-QH5 Trust and RALI Series 2007-QH6 Trust offerings.

9 368. The NCUA Board brings this cause of action pursuant to Sections 25401
10 and 25501 of the California Corporate Securities Law, with respect to WesCorp's
11
12 purchases of the Alternative Loan Trust 2007-OA4, GSR Mortgage Loan Trust 2007-
13 OA1, RALI Series 2006-QO10 Trust, RALI Series 2007-QH2 Trust, RALI Series
14 2007-QH3 Trust, RALI Series 2007-QH5 Trust and RALI Series 2007-QH6 Trust
15
16 certificates against Defendant Goldman Sachs, as the seller of those certificates.

17 369. Defendant Goldman Sachs offered to sell and sold the securities to
18
19 WesCorp by means of written and/or oral communications which included untrue
20
21 statements of material fact and/or omissions of material facts that were necessary to
22
23 make the statements made not misleading, as alleged above.

24 370. The untrue statements and omitted facts were material because a
25
26 reasonably prudent investor deciding whether to purchase the certificates would have
27
28 viewed them as important and as substantially altering the total mix of information
available, as alleged above.

1 371. At the time WesCorp purchased the certificates, it did not know of these
2 untruths or omissions.

3
4 372. Defendant Goldman Sachs sold the certificates to WesCorp in California.

5 373. Defendant Goldman Sachs's sales of the certificates violated Cal. Corp.
6 Code § 25401.

7
8 374. WesCorp and Plaintiff sustained damages as a result of Defendant
9 Goldman Sachs's violations of Cal. Corp. Code § 25401, and WesCorp and the NCUA
10 Board are entitled to the remedies provided by Cal. Corp. Code § 25501.

11
12 WHEREFORE, the NCUA Board requests the Court to enter judgment in its
13 favor against Defendant Goldman Sachs awarding damages in an amount to be
14 proven at trial, costs, and such other relief as the Court deems appropriate and just.

15 **EIGHTH CLAIM FOR RELIEF**

16 **Violation of the Kansas Uniform Securities Act**

17 **Kan. Stat. Ann. § 17-12a509**

18 **(First Franklin Mortgage Loan Trust 2006-FF4)**

19 375. The NCUA Board realleges paragraphs 1 through 309 of this Complaint,
20 as though fully set forth here, except those paragraphs specific to offerings other than
21 the First Franklin Mortgage Loan Trust 2006-FF4 offering.

22 376. The NCUA Board brings this cause of action pursuant to Section 17-
23 12a509 of the Kansas Uniform Securities Act, with respect to U.S. Central's purchases
24 of the First Franklin Mortgage Loan Trust 2006-FF4 certificates against Defendant
25 Goldman Sachs, as the seller of those certificates.

26
27 377. Defendant Goldman Sachs offered to sell and sold the securities to

1 WesCorp by means of written and/or oral communications which included untrue
2 statements of material fact and/or omissions of material facts that were necessary to
3 make the statements made not misleading, as alleged above.
4

5 378. The untrue statements and omitted facts were material because a
6 reasonably prudent investor deciding whether to purchase the certificates would have
7 viewed them as important and as substantially altering the total mix of information
8 available, as alleged above.
9

10 379. Defendant Goldman Sachs sold the certificates to U.S. Central in Kansas.
11

12 380. U.S. Central did not know of these untruths and omissions.
13

14 381. If U.S. Central had known about these untruths and omissions, it would
15 not have purchased the securities from Defendant Goldman Sachs.
16

17 382. Defendant Goldman Sachs's sales of the certificates violated Kan. Stat.
18 Ann. § 17-12a509(b).
19

20 383. U.S. Central and Plaintiff sustained damages as a result of Defendant
21 Goldman Sachs's violations of Kan. Stat. Ann. § 17-12a509(b).
22

23 WHEREFORE, the NCUA Board requests the Court to enter judgment in its
24 favor against Defendant Goldman Sachs, awarding damages in an amount to be
25 proven at trial, costs, and such other relief as the Court deems appropriate and just.
26

27 **PRAYER FOR RELIEF**
28

WHEREFORE, Plaintiff prays for judgment as follows:

A. For judgment against the Defendants in accordance with the prayers for

1 relief set forth in each of the foregoing Claims for Relief;

2 B. For Plaintiff's costs of suit; and

3
4 C. For any other relief the Court deems just and proper.

5 Dated: August 8, 2011

Terry W. Bird
BIRD, MARELLA, BOXER, WOLPERT,
NESSIM, DROOKS & LINCENBERG, PC

8 George A Zelcs
9 KOREIN TILLERY LLC

10 Mark C Hansen
11 David C Frederick
12 dfrederick@khhte.com
13 Wan J. Kim
14 Joseph S. Hall
15 KELLOGG, HUBER, HANSEN, TODD,
16 EVANS & FIGEL, P.L.L.C.
17 1615 M Street, N.W., Suite 400
18 Washington, D.C. 20036
19 Telephone: (202) 326-7900
20 Fax: (202) 326-7999

21 Michael J. McKenna, General Counsel
22 John K. Ianno, Associate General Counsel
23 NATIONAL CREDIT UNION
24 ADMINISTRATION
25 1775 Duke Street
26 Alexandria, Virginia 22314-3428
27 Telephone: (703) 518-6350

28 By: Terry W. Bird

Terry W. Bird
Attorneys for Plaintiff National Credit Union
Administration Board

307143.1

JURY DEMAND

Pursuant to Fed. R. Civ. P. 38(b), Plaintiff demands a trial by jury of all of the claims asserted in this Complaint so triable.

Dated: August 8, 2011

Terry W. Bird
BIRD, MARELLA, BOXER, WOLPERT,
NESSIM, DROOKS & LINCENBERG, PC

George A Zelcs
KOREIN TILLERY LLC

Mark C Hansen
David C Frederick
dfrederick@khhte.com
Wan J. Kim
Joseph S. Hall
KELLOGG, HUBER, HANSEN, TODD,
EVANS & FIGEL, P.L.L.C.
1615 M Street, N.W., Suite 400
Washington, D.C. 20036
Telephone: (202) 326-7900
Fax: (202) 326-7999

Michael J. McKenna, General Counsel
John K. Ianno, Associate General Counsel
NATIONAL CREDIT UNION
ADMINISTRATION
1775 Duke Street
Alexandria, Virginia 22314-3428
Telephone: (703) 518-6350

By: Terry W. Bird
Terry W. Bird
Attorneys for Plaintiff National Credit Union
Administration Board

307143.1

APPENDIX A

Table 1

CUSIP	ISSUING ENTITY	DEPOSITOR	BUYER	TRADE DATE	PRICE PAID
02150DAC9	Alternative Loan Trust 2007-OA4	CWALT. Inc.	WesCorp	20-Mar-07	\$97,947,000
362334FT6	First Franklin Mortgage Loan Trust 2006-FF4	GS Mortgage Securities Corp.	U.S. Central	3-Mar-06	\$29,360,000
3622NAAB6	GSR Mortgage Loan Trust 2007-OA1	GS Mortgage Securities Corp.	WesCorp	4-May-07	\$73,547,938
3622NAAG5	GSR Mortgage Loan Trust 2007-OA1	GS Mortgage Securities Corp.	WesCorp	4-May-07	\$59,442,800
751153AC1	RALI Series 2006-QO10 Trust	Residential Accredit Loans, Inc.	WesCorp	14-Dec-06	\$122,963,336
74922JAC2	RALI Series 2007-QH2 Trust	Residential Accredit Loans, Inc.	WesCorp	16-Feb-07	\$19,454,000
74922WAB5	RALI Series 2007-QH3 Trust	Residential Accredit Loans, Inc.	WesCorp	28-Mar-07	\$62,785,038
74922WAC3	RALI Series 2007-QH3 Trust	Residential Accredit Loans, Inc.	WesCorp	28-Mar-07	\$29,673,510
75116EAB8	RALI Series 2007-QH5 Trust	Residential Accredit Loans, Inc.	WesCorp	24-May-07	\$20,000,000
75116EAC6	RALI Series 2007-QH5 Trust	Residential Accredit Loans, Inc.	WesCorp	24-May-07	\$48,788,000
74922AAB3	RALI Series 2007-QH6 Trust	Residential Accredit Loans, Inc.	WesCorp	21-Jun-07	\$70,102,000
74922AAC1	RALI Series 2007-QH6 Trust	Residential Accredit Loans, Inc.	WesCorp	21-Jun-07	\$84,062,000

Table 2

CUSIP	ISSUING ENTITY	DEPOSITOR	BUYER	TRADE DATE	PRICE PAID
35729VAE7	Fremont Home Loan Trust 2006-D	Fremont Mortgage Securities Corp.	U.S. Central	25-Oct-06	\$18,000,000
35729VAF4	Fremont Home Loan Trust 2006-D	Fremont Mortgage Securities Corp.	U.S. Central	25-Oct-06	\$32,000,000
39539GAC6	GreenPoint Mortgage Funding Trust 2006-OH1	GS Mortgage Securities Corp.	WesCorp	5-Feb-07	\$26,708,366
39539GAC6	GreenPoint Mortgage Funding Trust 2006-OH1	GS Mortgage Securities Corp.	WesCorp	8-Mar-07	\$26,689,604
362631AD5	GSR Mortgage Loan Trust 2006-OA1	GS Mortgage Securities Corp.	WesCorp	26-Sep-06	\$61,086,962
362631AD5	GSR Mortgage Loan Trust 2006-OA1	GS Mortgage Securities Corp.	WesCorp	28-Sep-06	\$73,779,370
542512AE8	Long Beach Mortgage Loan Trust 2006-11	Long Beach Securities Corp.	U.S. Central	8-Dec-06	\$57,000,000
75114NAC8	RALI Series 2006-QO6 Trust	Residential Accredited Loans, Inc.	WesCorp	11-Oct-06	\$49,783,783
75116EAA0	RALI Series 2007-QH5 Trust	Residential Accredited Loans, Inc.	WesCorp	30-May-07	\$115,119,708

Table 3
Credit Ratings

Moody's	S&P	Definitions	Grade Type	
Aaa	AAA	Prime (Maximum Safety)	INVESTMENT GRADE	
Aa1 Aa2 Aa3	AA+ AA AA-	High Grade, High Quality		
A1 A2 A3	A+ A A-	Upper Medium Grade		
Baa1 Baa2 Baa3	BBB+ BBB BBB-	Medium Grade		
Ba2 Ba3	BB BB-	Non-Investment Grade, or Speculative		SPECULATIVE GRADE
B1 B2 B3	B+ B B-	Highly Speculative, or Substantial Risk		
Caa2 Caa3	CCC+	In Poor Standing		
Ca	CCC CCC-	Extremely Speculative		
C	-	May be in Default		
-	D	Default		

Table 4

CREDIT RATINGS OF RMBS PURCHASES ORIGINAL/RECENT						
CUSIP	ISSUER NAME	BUYER	ORIGINAL RATING S&P	ORIGINAL RATING MOODY'S	RECENT RATING S&P	RECENT RATING MOODY'S
02150DAC9	Alternative Loan Trust 2007-OA4	WesCorp	AAA	Aaa	CCC 9/2/2009	C 11/23/2010
362334FT6	First Franklin Mortgage Loan Trust 2006-FF4	U.S. Central	AAA	Aaa	BBB+ 3/2/2010	Caa3 4/6/2010
35729VAE7	Fremont Home Loan Trust 2006-D	U.S. Central	AAA	Aaa	CCC 8/4/2009	Ca 4/29/2010
35729VAF4	Fremont Home Loan Trust 2006-D	U.S. Central	AA+	Aa1	D 2/25/2011	C 3/17/2009
39539GAC6	GreenPoint Mortgage Funding Trust 2006-OH1	WesCorp	AAA	Aaa	D 4/19/2010	C 12/9/2010
362631AD5	GSR Mortgage Loan Trust 2006-OA1	WesCorp	AAA	Aaa	CCC 9/2/2009	C 12/14/2010
3622NAB6	GSR Mortgage Loan Trust 2007-OA1	WesCorp	AAA	Aaa	CCC 7/24/2009	C 12/14/2010
3622NAG5	GSR Mortgage Loan Trust 2007-OA1	WesCorp	AAA	Aaa	CCC 7/24/2009	C 12/14/2010
542512AE8	Long Beach Mortgage Loan Trust 2006-11	U.S. Central	AAA	Aaa	CCC 8/4/2009	Ca 3/20/2009
75114NAC8	RALI Series 2006-QO6 Trust	WesCorp	AAA	Aaa	CCC 4/15/2009	C 12/1/2010
751153AC1	RALI Series 2006-QO10 Trust	WesCorp	AAA	Aaa	D 3/23/2010	C 12/1/2010
749221AC2	RALI Series 2007-QH2 Trust	WesCorp	AAA	Aaa	D 6/23/2010	C 12/1/2010
74922WAB5	RALI Series 2007-QH3 Trust	WesCorp	AAA	Aaa	CCC 2/16/2010	C 12/1/2010
74922WAC3	RALI Series 2007-QH3 Trust	WesCorp	AAA	Aaa	D 5/25/2010	C 12/1/2010
75116EAA0	RALI Series 2007-QH5 Trust	WesCorp	AAA	Aaa	CCC 7/24/2009	Caa3 12/1/2010
75116EAB8	RALI Series 2007-QH5 Trust	WesCorp	AAA	Aaa	CCC 7/24/2009	C 12/1/2010
75116EAC6	RALI Series 2007-QH5 Trust	WesCorp	AAA	Aaa	D 12/17/2010	C 12/1/2010
74922AAB3	RALI Series 2007-QH6 Trust	WesCorp	AAA	Aaa	CCC 7/24/2009	C 12/1/2010
74922AAC1	RALI Series 2007-QH6 Trust	WesCorp	AAA	Aaa	D 9/24/2010	C 12/1/2010

Table 5

CUSIP	OFFERINGS	RATE AT CUT-OFF DATE FOR OFFERING	1 MO.	3 MOS.	6 MOS.	12 MOS.	RECENT
02150DAC9	Alternative Loan Trust 2007-OA4 (P.S. dated March 28, 2007)	zero (S-67-S-70)	2.36% (Apr., p.9)	3.11% (June, p.9)	5.39% (Sept., p.9)	16.45% (Mar. 2008, p.7)	60.91% (June 2011, p.13)
362334FT6	First Franklin Mortgage Loan Trust 2006-FF4 (P.S. dated March 27, 2006)	0.03% were 30-59 days delinquent. Zero were two or more payments delinquent. (S-32)	.42% (Apr., p.11)	2.5% (June, p.11)	5.73% (Sept., p.10)	14.35% (Mar. 2007, p.10)	51.63% (June 2011, p.11)
35729VAF4	Fremont Home Loan Trust 2006-D: Aggregate *Class M1 certificates represent interests in all of the mortgage loans in the trust fund. (3) (P.S. dated November 1, 2006)	Zero more than 30 days delinquent on 10/1/06 (19)	.79% (Dec., p.10)	5.21% (Feb., p.10)	12.45% (May, p.10)	26.17% (Nov., p.10)	51.61% (June 2011, p.9)
	Fremont Home Loan Trust 2006-D: Group 1	Zero more than 30 days delinquent on 10/1/06 (19)	1% (Dec., p.12)	4.42% (Feb., p.12)	10.19% (May, p.12)	24.12% (Nov., p.12)	56.01% (June 2011, p.10)
35729VAE7	Fremont Home Loan Trust 2006-D: Group 2 *The Class 2-A-4 in Group 2 (3)	Zero more than 30 days delinquent on 10/1/06 (19)	.52% (Dec., p.12)	1.59% (Feb., p.12)	4.03% (May, p.12)	9.84% (Nov., p.12)	37.62% (June 2011, p.10)
	Fremont Home Loan Trust 2006-D: Group 3	Zero more than 30 days delinquent on 10/1/06 (19)	.78% (Dec., p.13)	7.23% (Feb., p.13)	17.55% (May, p.13)	35.42% (Nov., p.13)	60.15% (June 2011, p.11)
	Fremont Home Loan Trust 2006-D: Group 4	Zero were more than 30 days delinquent as of 10/1/06. (19)	.51% (Dec., p.13)	4.86% (Feb., p.13)	11.47% (May, p.13)	19.17% (Nov., p.13)	33.47% (June 2011, p.11)
39539GAC6	GreenPoint Mortgage Funding Trust 2006- OH1 (P.S. dated December 21, 2006)	0.51% were 30 to 59 days delinquent. (S-44)	1.05% (Jan., p.9)	3.48% (Mar., p.9)	2.55% (Jun., p.9)	8.36% (Dec., p.9)	55.60% (June 2011, p.9)
	GSR Mortgage Loan Trust 2006-OA1: Aggregate (P.S. dated August 23, 2006)	0.94% were 30 to 59 days delinquent. (S-45)	1.68% (Sept., p.11)	2.34% (Nov., p.11)	3.84% (Feb., p.10)	10.12% (Aug. 2007, p.9)	53.90% (June 2011, p.11)
	GSR Mortgage Loan Trust 2006-OA1: Group 1	0.94% were 30 to 59 days delinquent. (S-45)	1.59% (Sept., p.12)	2.38% (Nov., p.12)	3.39% (Feb., p.11)	9.41% (Aug. 2007, p.10)	49.31% (June 2011, p.12)
362631AD5	GSR Mortgage Loan Trust 2006-OA1: Group 2 *The Class 2-A-3 in Group 2 (S-13)	0.94% were 30 to 59 days delinquent. (S-45) (S-45)	1.86% (Sept., p.12)	2.49% (Nov., p.12)	4.10% (Feb., p.11)	10.72% (Aug. 2007, p.10)	53.41% (June 2011, p.12)
	GSR Mortgage Loan Trust 2006-OA1: Group 3	0.94% were 30 to 59 days delinquent. (S-45) (S-45)	.70% (Sept., p.13)	1.00% (Nov., p.13)	3.59% (Feb., p.12)	8.34% (Aug. 2007, p.11)	70.84% (June 2011, p.13)
	GSR Mortgage Loan Trust 2007-OA1: Aggregate (P.S. dated May 7, 2007)	0.67% were 30 to 59 days delinquent. Zero were 60 days or more delinquent. (S- 54)	2.58% (May, p.9)	3.00% (July, p.9)	5.55% (Oct., p.9)	12.45% (Apr. 2008, p.10)	51.79% (June 2011, p.10)
3622NAAB6	GSR Mortgage Loan Trust 2007-OA1: Group 1 *Class 1A-2 in Group 1 (S-14-15)	0.67% were 30 to 59 days delinquent. Zero were 60 days or more delinquent. (S- 54)	2.23% (May, p.10)	2.67% (July, p.10)	5.30% (Oct., p.10)	11.97% (Apr. 2008, p.11)	47.67% (June 2011, p.11)
3622NAAG5	GSR Mortgage Loan Trust 2007-OA1: Group 2 *Class 2A-M in Group 2 (S-14-15)	0.67% were 30 to 59 days delinquent. Zero were 60 days or more delinquent. (S- 54)	2.86% (May, p.10)	3.28% (July, p.10)	5.76% (Oct., p.10)	12.85% (Apr. 2008, p.11)	55.16% (June 2011, p.11)

	CUSIP	OFFERINGS	RATE AT CUT-OFF DATE FOR OFFERING	1 MO.	3 MOS.	6 MOS.	12 MOS.	RECENT
1		Long Beach Mortgage Loan Trust 2006-11: Aggregate (P.S. dated December 11, 2006)	2.25% of Group I and 4.20% of Group II were delinquent. (S-17)	0% (Jan., p.12)	3.38% (Mar., p.12)	12.43% (June, p.12)	29.89% (Dec., p.12)	52.65% (June 2011, p.14)
2		Long Beach Mortgage Loan Trust 2006-11: Group I	2.25% of Group I and 4.20% of Group II were delinquent. (S-17)	0% (Jan., p.12)	1.8% (Mar., p.13)	7.65% (June, p.13)	21.53% (Dec., p.13)	52.03% (June 2011, p.19)
3	5425J2AE8	Long Beach Mortgage Loan Trust 2006-11: Group 2 *Class II-A-4 in Group 2 (S-72)	2.25% of Group I and 4.20% of Group II were delinquent. (S-17)	0% (Jan., p.12)	4.17% (Mar., p.14)	14.81% (June, p.14)	34.09% (Dec., p.14)	53.08% (June 2011, p.24)
4	75114NAC8	RALI Series 2006-QO6 Trust (P.S. dated June 28, 2006)	zero (S-42)	1.42% (July, p.8)	1.61% (Sept., p.7)	2.79% (Dec., p.8)	6.13% (June, p.8)	48.08% (June 2011, p.8)
5	751153AC1	RALI Series 2006- QO10 Trust (P.S. dated December 27, 2006)	zero (S-45)	2.42% (Jan., p.8)	4.94% (Mar., p.8)	4.97% (June, p.8)	13.54% (Dec., p.8)	47.89% (June 2011, p.8)
6	74922JAC2	RALI Series 2007-QH2 Trust (P.S. dated February 23, 2007)	zero (S-43)	.89% (Mar., p.7)	3.14% (May, p.7)	3.09% (Aug., p.7)	9.32% (Feb., 2008, p.7)	55.03% (June 2011, p.8)
7	74922WAC3 74922WAB5	RALI Series 2007-QH3 Trust (P.S. dated March 28, 2007)	zero (S-45)	.81% (Apr., p.8)	4.08% (June, p.8)	2.84% (Sept., p.8)	10.88% (Mar., 2008, p.7)	49.71% (June 2011, p.8)
8		RALI Series 2007-QH5 Trust: Aggregate (P.S. dated May 29, 2007)	zero (S-51)	1.55% (June, p.9)	2.59% (Aug., p.9)	5.26% (Nov., p.9)	16.31% (May 2008, p.14)	51.88% (June 2011, p.9)
9	75116EAA0 75116EAB8 75116EAC6	RALI Series 2007-QH5 Trust: Group 1 *Class A11, A12, and A13 in Group 1 (S-12-13)	zero (S-51)	1.65% (June, p.10)	2.58% (Aug., p.10)	5.73% (Nov., p.10)	16.55% (May 2008, p.12)	52.04% (June 2011, p.10)
10		RALI Series 2007-QH5 Trust: Group 2	zero (S-51)	1.32% (June, p.11)	2.64% (July, p.11)	4.18% (Nov., p.11)	15.74% (May 2008, p.13)	51.52% (June 2011, p.11)
11	74922AAB3 74922AAC1	RALI Series 2007-QH6 Trust (P.S. dated June 27, 2007)	zero (S-45)	1.10% (July, p.8)	2.84% (Sept., p.8)	5.57% (Dec., p.7)	15.81% (June 2008, p.10)	50.60% (June 2011, p.8)

Table 6

Originator Name	OTD % 2005	OTD% 2006	OTD % 2007
American Home Mortgage Corp.	91.9	62.4	
Countrywide Home Loans	98.5	96.5	98.4
First Franklin Financial Corporation			98.7
Fremont Investment & Loan	91.2	85.2	94.0
GreenPoint Mortgage Funding Inc.	89.0	87.1	95.6
Homecomings Financial, LLC	97.4	97.9	99.9
IndyMac Bank, F.S.B.	81.1	87.7	82.8
Long Beach Mortgage		80.2	
Quicken Loans	89.5	86.7	91.3
SunTrust Mortgage, Inc.	62.6	71.1	74.4

Table 7

CUSIP	ISSUING ENTITY	BUYER	TRADE DATE	American Pipe Tolling Commencement Date
02150DAC9	Alternative Loan Trust 2007-OA4	WesCorp	20-Mar-07	<p><i>Luther v. Countrywide.</i> BC380698 (Cal. Super. Ct. L.A. County) Complaint Filed: November 14, 2007,</p> <p><i>Maine v. Countrywide.</i> No. 10-302 (C.D.C.A.) Complaint Filed: January 14, 2010.</p> <p><i>Washington v. Countrywide.</i> BC 392571 (Cal. Super. Ct. L.A. County) Complaint Filed: June 12, 2008, consolidated into <i>Luther v. Countrywide.</i> BC380698 (Cal. Super. Ct. L.A. County)</p>
3622NAAB6	GSR Mortgage Loan Trust 2007-OA1	WesCorp	4-May-07	<p><i>NECA-IBEW v. Goldman</i> No. 08-10783 (S.D.N.Y.) Complaint Filed: December 11, 2008</p>
3622NAAG5	GSR Mortgage Loan Trust 2007-OA1	WesCorp	4-May-07	<p><i>NECA-IBEW v. Goldman</i> No. 08-10783 (S.D.N.Y.) Complaint Filed: December 11, 2008</p>
751153AC1	RALI Series 2006-QO10 Trust	WesCorp	14-Dec-06	<p><i>New Jersey Carpenters v. RALI</i> 08-602727 (New York State Supreme Ct.) Class Action Complaint Filed: September 22, 2008, Removed to No. 08-8781 (S.D.N.Y.)</p>
74922JAC2	RALI Series 2007-QH2 Trust	WesCorp	16-Feb-07	<p><i>New Jersey Carpenters v. RALI</i> No. 08-8781 (S.D.N.Y.) Consolidated Amended Complaint Filed: May 18, 2009</p>

CUSIP	ISSUING ENTITY	BUYER	TRADE DATE	American Pipe Tolling Commencement Date
74922WAB5	RALI Series 2007-QH3 Trust	WesCorp	28-Mar-07	<i>New Jersey Carpenters v. RALI</i> No. 08-8781 (S.D.N.Y.) Consolidated Amended Complaint Filed: May 18, 2009
74922WAC3	RALI Series 2007-QH3 Trust	WesCorp	28-Mar-07	<i>New Jersey Carpenters v. RALI</i> No. 08-8781 (S.D.N.Y.) Consolidated Amended Complaint Filed: May 18, 2009
75116EAB8	RALI Series 2007-QH5 Trust	WesCorp	24-May-07	<i>New Jersey Carpenters v. RALI</i> No. 08-8781 (S.D.N.Y.) Consolidated Amended Complaint Filed: May 18, 2009
75116EAC6	RALI Series 2007-QH5 Trust	WesCorp	24-May-07	<i>New Jersey Carpenters v. RALI</i> No. 08-8781 (S.D.N.Y.) Consolidated Amended Complaint Filed: May 18, 2009
74922AAB3	RALI Series 2007-QH6 Trust	WesCorp	21-Jun-07	<i>New Jersey Carpenters v. RALI</i> No. 08-8781 (S.D.N.Y.) Consolidated Amended Complaint Filed: May 18, 2009
74922AAC1	RALI Series 2007-QH6 Trust	WesCorp	21-Jun-07	<i>New Jersey Carpenters v. RALI</i> No. 08-8781 (S.D.N.Y.) Consolidated Amended Complaint Filed: May 18, 2009
75114NAC8	RALI Series 2006-QO6 Trust	WesCorp	11-Oct-06	<i>New Jersey Carpenters v. RALI</i> 08-602727 (New York State Supreme Ct.) Class Action Complaint Filed: September 22, 2008, Removed to No. 08-8781 (S.D.N.Y.)
75116EAA0	RALI Series 2007-QH5 Trust	WesCorp	30-May-07	<i>New Jersey Carpenters v. RALI</i> No. 08-8781 (S.D.N.Y.) Consolidated Amended Complaint Filed: May 18, 2009

APPENDIX B

Figure 1

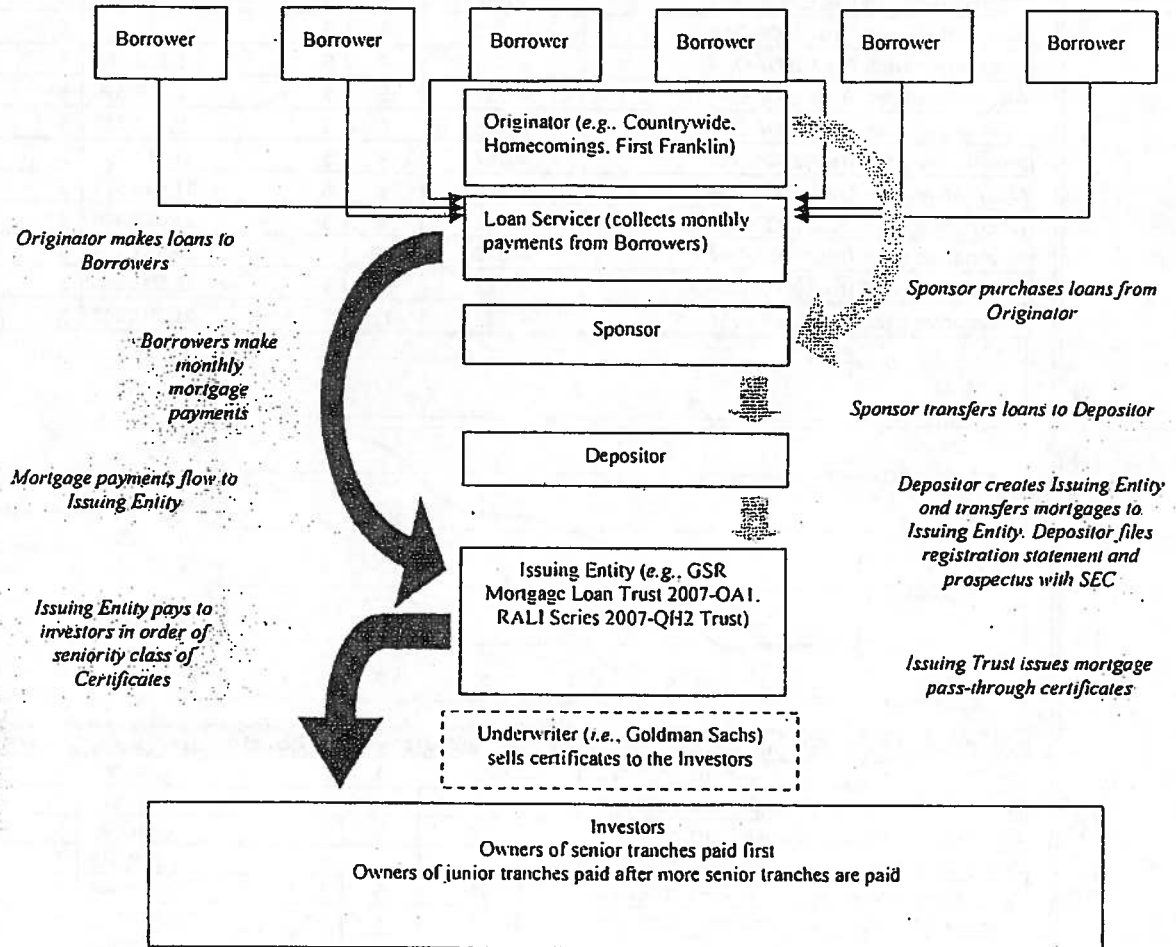
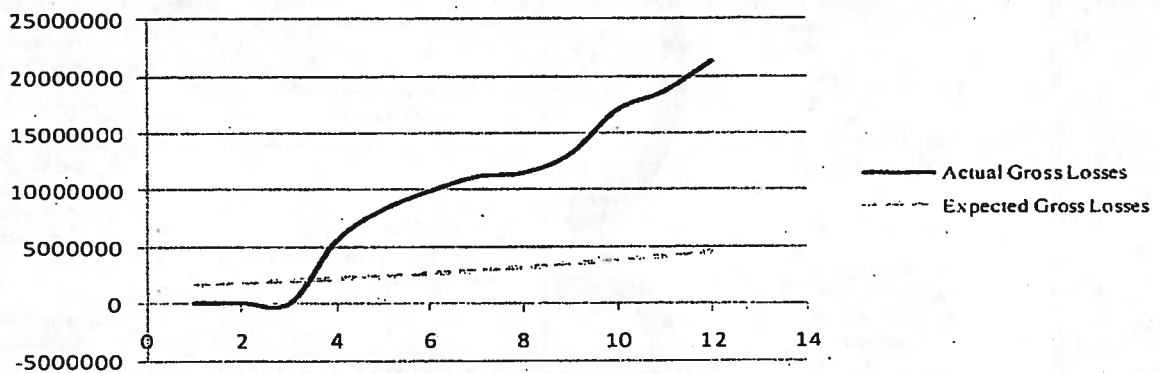
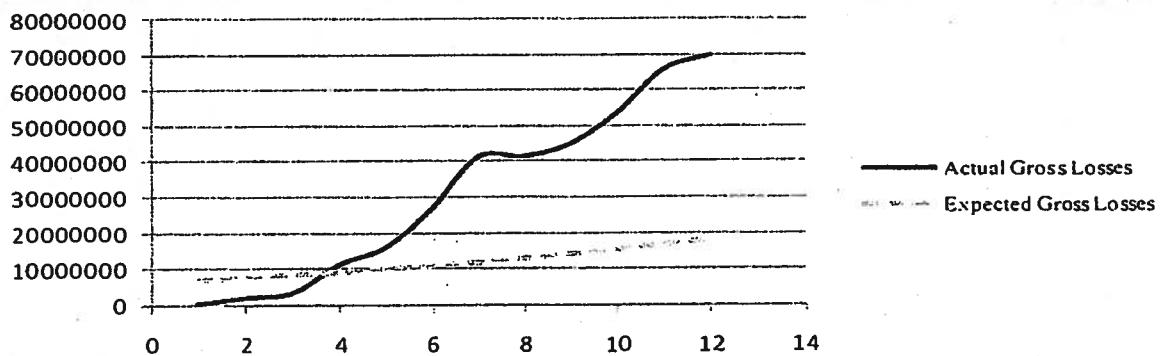


Figure 2

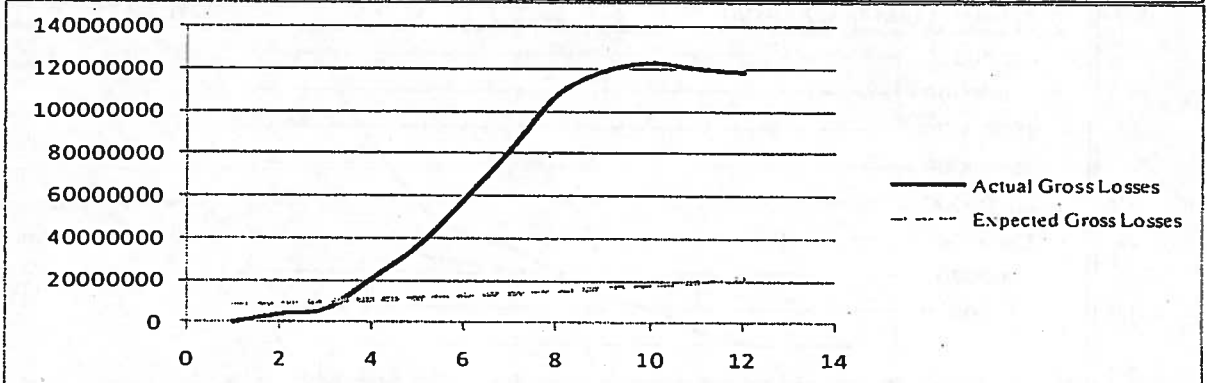
Deal Name	ABSNet Deal Id	Month	Actual Gross Losses	Expected Gross Losses
Alternative Loan Trust 2007-OA4	40782	1	\$ -	\$ 1,721,048
Alternative Loan Trust 2007-OA4	40782	2	\$ -	\$ 1,879,815
Alternative Loan Trust 2007-OA4	40782	3	\$ -	\$ 2,052,895
Alternative Loan Trust 2007-OA4	40782	4	\$ 5,552,496	\$ 2,241,515
Alternative Loan Trust 2007-OA4	40782	5	\$ 8,256,396	\$ 2,446,993
Alternative Loan Trust 2007-OA4	40782	6	\$ 9,843,413	\$ 2,670,748
Alternative Loan Trust 2007-OA4	40782	7	\$ 11,117,391	\$ 2,914,296
Alternative Loan Trust 2007-OA4	40782	8	\$ 11,443,511	\$ 3,179,264
Alternative Loan Trust 2007-OA4	40782	9	\$ 13,077,444	\$ 3,467,385
Alternative Loan Trust 2007-OA4	40782	10	\$ 16,955,124	\$ 3,780,506
Alternative Loan Trust 2007-OA4	40782	11	\$ 18,593,680	\$ 4,120,586
Alternative Loan Trust 2007-OA4	40782	12	\$ 21,253,642	\$ 4,489,703



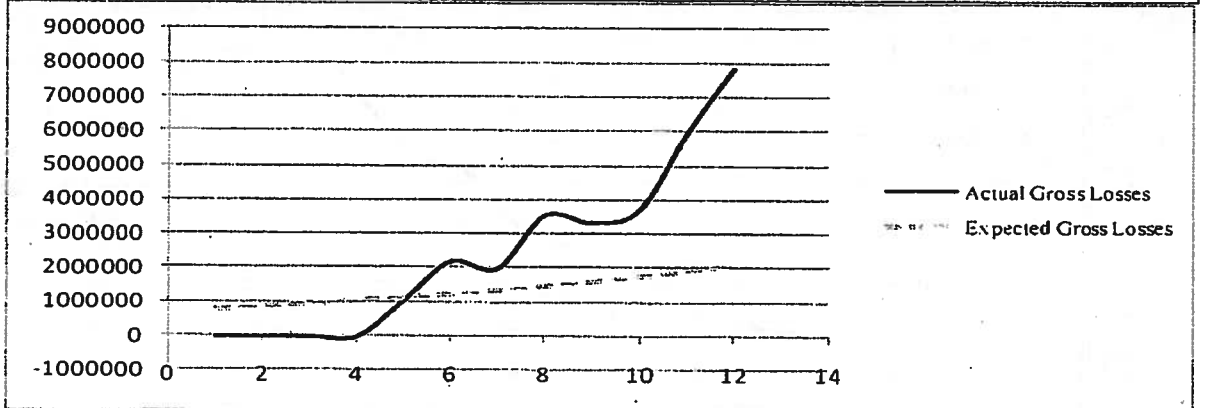
Deal Name	ABSNet Deal Id	Month	Actual Gross Losses	Expected Gross Losses
First Franklin Mortgage Loan Trust 2006-FF4	37107	1	\$ 299,800	\$ 7,015,627
First Franklin Mortgage Loan Trust 2006-FF4	37107	2	\$ 1,860,071	\$ 7,662,819
First Franklin Mortgage Loan Trust 2006-FF4	37107	3	\$ 3,294,072	\$ 8,368,358
First Franklin Mortgage Loan Trust 2006-FF4	37107	4	\$ 11,208,529	\$ 9,137,241
First Franklin Mortgage Loan Trust 2006-FF4	37107	5	\$ 15,952,584	\$ 9,974,848
First Franklin Mortgage Loan Trust 2006-FF4	37107	6	\$ 26,732,902	\$ 10,886,953
First Franklin Mortgage Loan Trust 2006-FF4	37107	7	\$ 41,253,367	\$ 11,879,747
First Franklin Mortgage Loan Trust 2006-FF4	37107	8	\$ 41,421,650	\$ 12,959,853
First Franklin Mortgage Loan Trust 2006-FF4	37107	9	\$ 44,920,449	\$ 14,134,341
First Franklin Mortgage Loan Trust 2006-FF4	37107	10	\$ 53,575,411	\$ 15,410,736
First Franklin Mortgage Loan Trust 2006-FF4	37107	11	\$ 65,836,028	\$ 16,797,031
First Franklin Mortgage Loan Trust 2006-FF4	37107	12	\$ 69,896,152	\$ 18,301,685



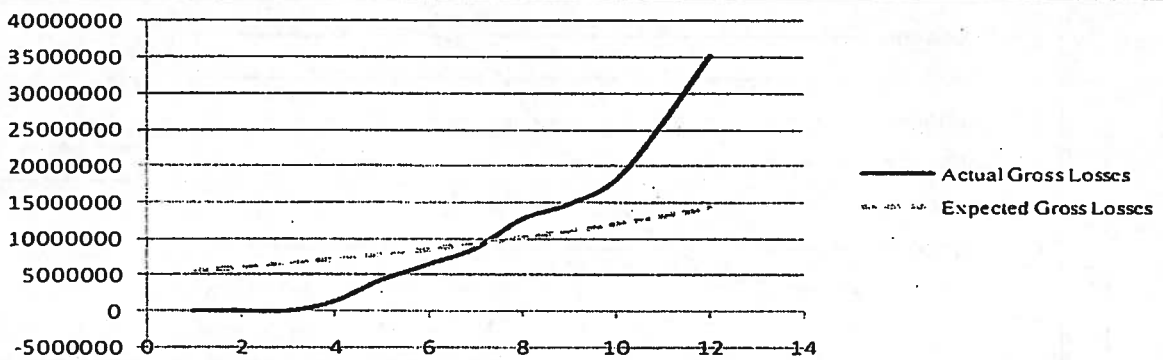
Deal Name	ABSNet Deal Id	Month	Actual Gross Losses	Expected Gross Losses
Fremont Home Loan Trust 2006-D	39741	1	\$ -	\$ 8,287,486
Fremont Home Loan Trust 2006-D	39741	2	\$ 3,753,135	\$ 9,052,007
Fremont Home Loan Trust 2006-D	39741	3	\$ 6,212,973	\$ 9,885,452
Fremont Home Loan Trust 2006-D	39741	4	\$ 20,765,954	\$ 10,793,726
Fremont Home Loan Trust 2006-D	39741	5	\$ 36,520,130	\$ 11,783,182
Fremont Home Loan Trust 2006-D	39741	6	\$ 58,203,553	\$ 12,860,642
Fremont Home Loan Trust 2006-D	39741	7	\$ 81,810,437	\$ 14,033,419
Fremont Home Loan Trust 2006-D	39741	8	\$ 107,497,063	\$ 15,309,337
Fremont Home Loan Trust 2006-D	39741	9	\$ 118,828,404	\$ 16,696,747
Fremont Home Loan Trust 2006-D	39741	10	\$ 122,788,975	\$ 18,204,539
Fremont Home Loan Trust 2006-D	39741	11	\$ 120,044,997	\$ 19,842,154
Fremont Home Loan Trust 2006-D	39741	12	\$ 118,165,126	\$ 21,619,586



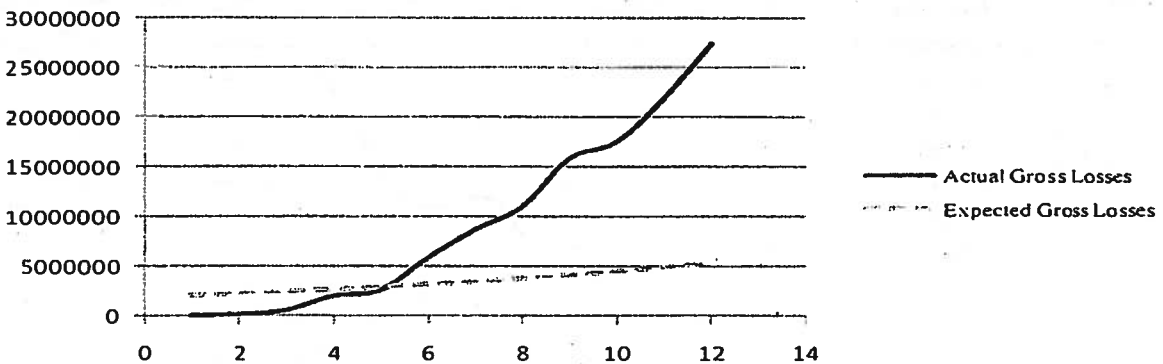
Deal Name	ABSNet Deal Id	Month	Actual Gross Losses	Expected Gross Losses
GreenPoint Mortgage Funding Trust 2006-OH1	40080	1	\$ -	\$ 802,726
GreenPoint Mortgage Funding Trust 2006-OH1	40080	2	\$ -	\$ 876,777
GreenPoint Mortgage Funding Trust 2006-OH1	40080	3	\$ -	\$ 957,505
GreenPoint Mortgage Funding Trust 2006-OH1	40080	4	\$ -	\$ 1,045,480
GreenPoint Mortgage Funding Trust 2006-OH1	40080	5	\$ 1,066,439	\$ 1,141,319
GreenPoint Mortgage Funding Trust 2006-OH1	40080	6	\$ 2,202,733	\$ 1,245,681
GreenPoint Mortgage Funding Trust 2006-OH1	40080	7	\$ 1,999,286	\$ 1,359,277
GreenPoint Mortgage Funding Trust 2006-OH1	40080	8	\$ 3,557,154	\$ 1,482,862
GreenPoint Mortgage Funding Trust 2006-OH1	40080	9	\$ 3,344,056	\$ 1,617,247
GreenPoint Mortgage Funding Trust 2006-OH1	40080	10	\$ 3,721,155	\$ 1,763,291
GreenPoint Mortgage Funding Trust 2006-OH1	40080	11	\$ 5,959,259	\$ 1,921,911
GreenPoint Mortgage Funding Trust 2006-OH1	40080	12	\$ 7,845,777	\$ 2,094,073



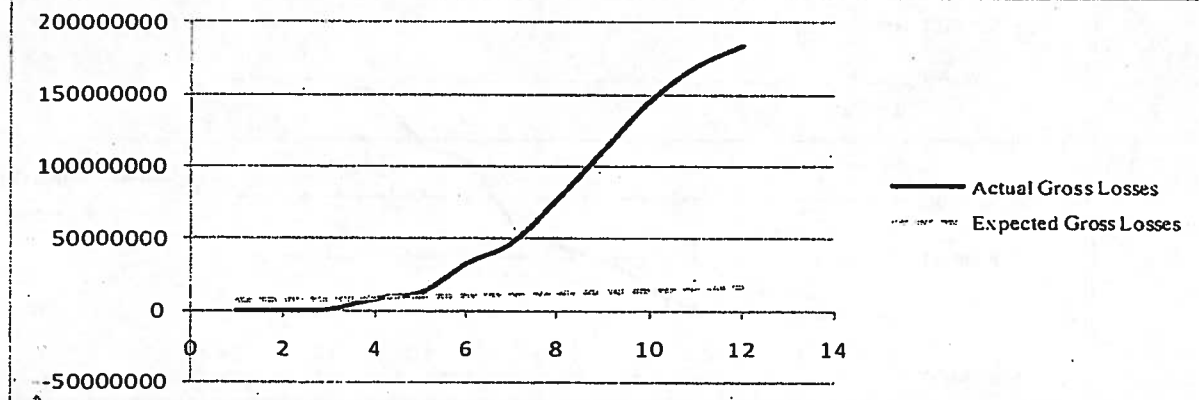
Deal Name	ABSNet Deal Id	Month	Actual Gross Losses	Expected Gross Losses
GSR Mortgage Loan Trust 2006-OA1	38785	1	\$ -	\$ 5,494,102
GSR Mortgage Loan Trust 2006-OA1	38785	2	\$ -	\$ 6,000,933
GSR Mortgage Loan Trust 2006-OA1	38785	3	\$ -	\$ 6,553,457
GSR Mortgage Loan Trust 2006-OA1	38785	4	\$ 1,358,347	\$ 7,155,588
GSR Mortgage Loan Trust 2006-OA1	38785	5	\$ 4,282,540	\$ 7,811,537
GSR Mortgage Loan Trust 2006-OA1	38785	6	\$ 6,429,963	\$ 8,525,828
GSR Mortgage Loan Trust 2006-OA1	38785	7	\$ 8,637,375	\$ 9,303,308
GSR Mortgage Loan Trust 2006-OA1	38785	8	\$ 12,644,175	\$ 10,149,165
GSR Mortgage Loan Trust 2006-OA1	38785	9	\$ 14,733,906	\$ 11,068,933
GSR Mortgage Loan Trust 2006-OA1	38785	10	\$ 18,092,798	\$ 12,068,508
GSR Mortgage Loan Trust 2006-OA1	38785	11	\$ 25,912,308	\$ 13,154,148
GSR Mortgage Loan Trust 2006-OA1	38785	12	\$ 35,241,988	\$ 14,332,479



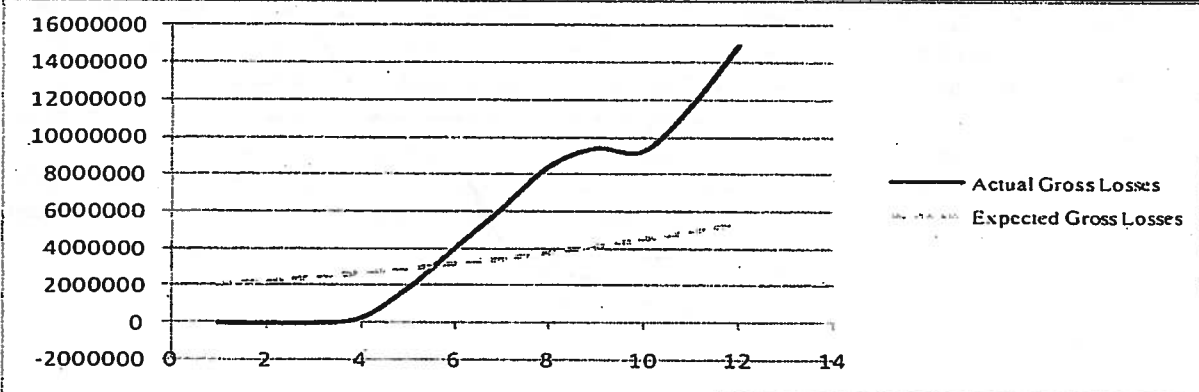
Deal Name	ABSNet Deal Id	Month	Actual Gross Losses	Expected Gross Losses
GSR Mortgage Loan Trust 2007-OA1	41687	1	\$ -	\$ 2,096,434
GSR Mortgage Loan Trust 2007-OA1	41687	2	\$ 138,000	\$ 2,289,830
GSR Mortgage Loan Trust 2007-OA1	41687	3	\$ 548,083	\$ 2,500,662
GSR Mortgage Loan Trust 2007-OA1	41687	4	\$ 1,970,334	\$ 2,730,422
GSR Mortgage Loan Trust 2007-OA1	41687	5	\$ 2,555,411	\$ 2,980,719
GSR Mortgage Loan Trust 2007-OA1	41687	6	\$ 5,789,933	\$ 3,253,277
GSR Mortgage Loan Trust 2007-OA1	41687	7	\$ 8,674,548	\$ 3,549,947
GSR Mortgage Loan Trust 2007-OA1	41687	8	\$ 10,980,315	\$ 3,872,708
GSR Mortgage Loan Trust 2007-OA1	41687	9	\$ 15,810,760	\$ 4,223,673
GSR Mortgage Loan Trust 2007-OA1	41687	10	\$ 17,540,976	\$ 4,605,090
GSR Mortgage Loan Trust 2007-OA1	41687	11	\$ 21,894,799	\$ 5,019,347
GSR Mortgage Loan Trust 2007-OA1	41687	12	\$ 27,470,029	\$ 5,468,973



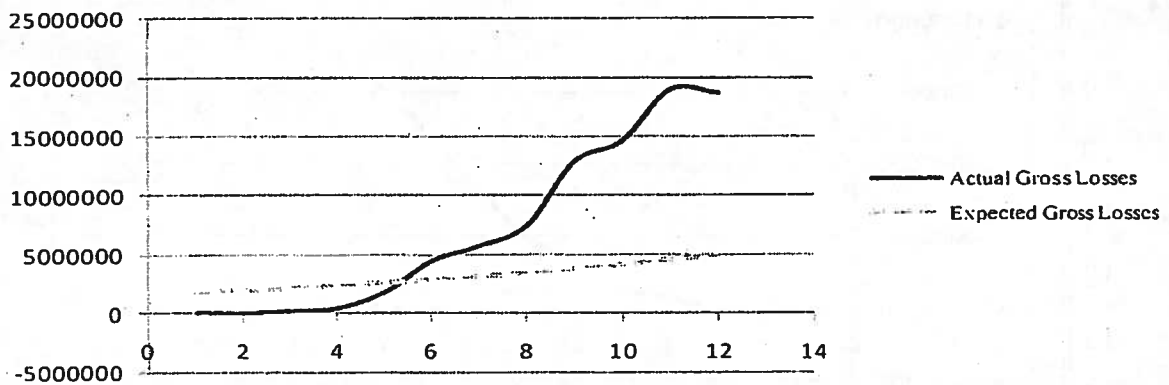
Deal Name	ABSNet Deal Id	Month	Actual Gross Losses	Expected Gross Losses
Long Beach Mortgage Loan Trust 2006-11	39653	1	\$ -	\$ 6,553,966
Long Beach Mortgage Loan Trust 2006-11	39653	2	\$ -	\$ 7,158,570
Long Beach Mortgage Loan Trust 2006-11	39653	3	\$ 890,051	\$ 7,817,680
Long Beach Mortgage Loan Trust 2006-11	39653	4	\$ 8,357,534	\$ 8,535,968
Long Beach Mortgage Loan Trust 2006-11	39653	5	\$ 12,840,288	\$ 9,318,456
Long Beach Mortgage Loan Trust 2006-11	39653	6	\$ 32,937,163	\$ 10,170,540
Long Beach Mortgage Loan Trust 2006-11	39653	7	\$ 47,453,779	\$ 11,098,004
Long Beach Mortgage Loan Trust 2006-11	39653	8	\$ 77,814,855	\$ 12,107,034
Long Beach Mortgage Loan Trust 2006-11	39653	9	\$ 111,775,253	\$ 13,204,235
Long Beach Mortgage Loan Trust 2006-11	39653	10	\$ 146,284,958	\$ 14,396,637
Long Beach Mortgage Loan Trust 2006-11	39653	11	\$ 170,179,730	\$ 15,691,707
Long Beach Mortgage Loan Trust 2006-11	39653	12	\$ 184,780,135	\$ 17,097,348



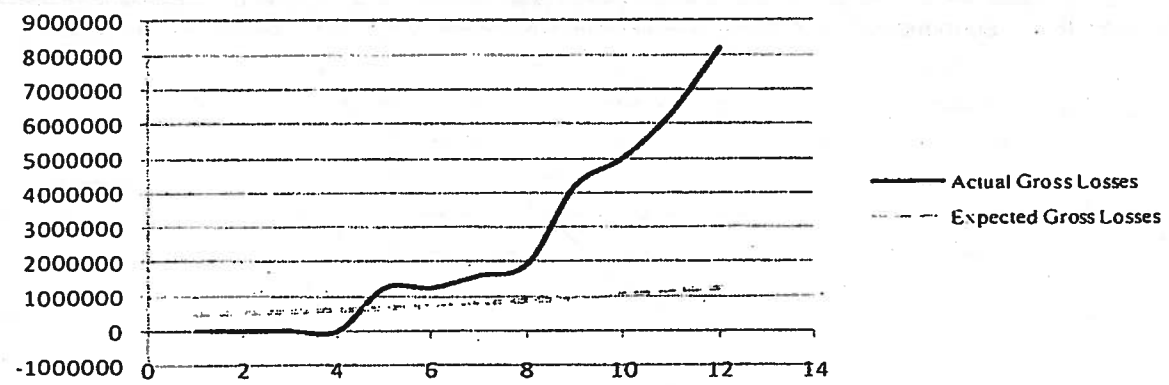
Deal Name	ABSNet Deal Id	Month	Actual Gross Losses	Expected Gross Losses
RAI Series 2006-QO6 Trust	38111	1	\$ -	\$ 2,048,115
RAI Series 2006-QO6 Trust	38111	2	\$ -	\$ 2,237,054
RAI Series 2006-QO6 Trust	38111	3	\$ -	\$ 2,443,026
RAI Series 2006-QO6 Trust	38111	4	\$ 282,856	\$ 2,667,491
RAI Series 2006-QO6 Trust	38111	5	\$ 1,873,291	\$ 2,912,019
RAI Series 2006-QO6 Trust	38111	6	\$ 4,017,608	\$ 3,178,295
RAI Series 2006-QO6 Trust	38111	7	\$ 6,135,151	\$ 3,468,128
RAI Series 2006-QO6 Trust	38111	8	\$ 8,393,609	\$ 3,783,450
RAI Series 2006-QO6 Trust	38111	9	\$ 9,394,454	\$ 4,126,325
RAI Series 2006-QO6 Trust	38111	10	\$ 9,244,872	\$ 4,498,951
RAI Series 2006-QO6 Trust	38111	11	\$ 11,623,527	\$ 4,903,661
RAI Series 2006-QO6 Trust	38111	12	\$ 14,913,305	\$ 5,342,924



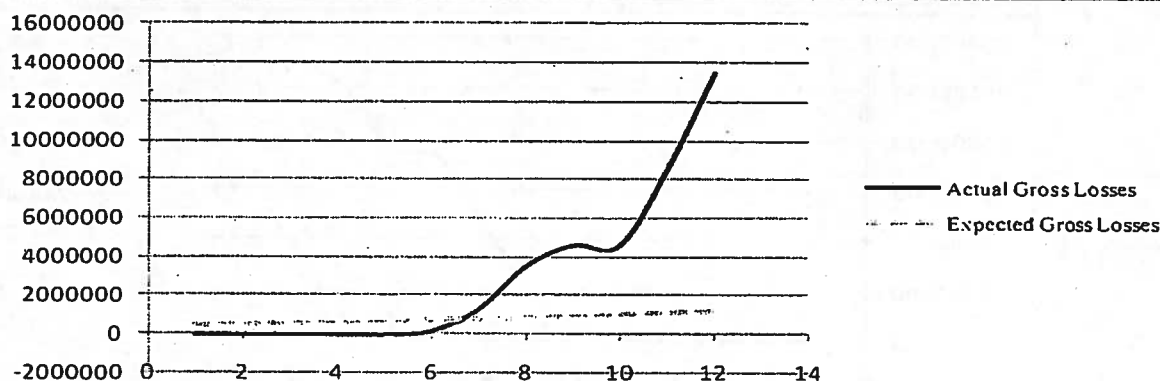
Deal Name	ABSNet Deal Id	Month	Actual Gross Losses	Expected Gross Losses
RALI Series 2006-QO10 Trust	40250	1	\$ -	\$ 1,895,544
RALI Series 2006-QO10 Trust	40250	2	\$ -	\$ 2,070,408
RALI Series 2006-QO10 Trust	40250	3	\$ 157,654	\$ 2,261,037
RALI Series 2006-QO10 Trust	40250	4	\$ 397,104	\$ 2,468,780
RALI Series 2006-QO10 Trust	40250	5	\$ 1,774,851	\$ 2,695,092
RALI Series 2006-QO10 Trust	40250	6	\$ 4,416,022	\$ 2,941,533
RALI Series 2006-QO10 Trust	40250	7	\$ 5,707,788	\$ 3,209,775
RALI Series 2006-QO10 Trust	40250	8	\$ 7,455,454	\$ 3,501,607
RALI Series 2006-QO10 Trust	40250	9	\$ 12,901,438	\$ 3,818,941
RALI Series 2006-QO10 Trust	40250	10	\$ 14,654,350	\$ 4,163,808
RALI Series 2006-QO10 Trust	40250	11	\$ 19,022,850	\$ 4,538,370
RALI Series 2006-QO10 Trust	40250	12	\$ 18,742,305	\$ 4,944,911



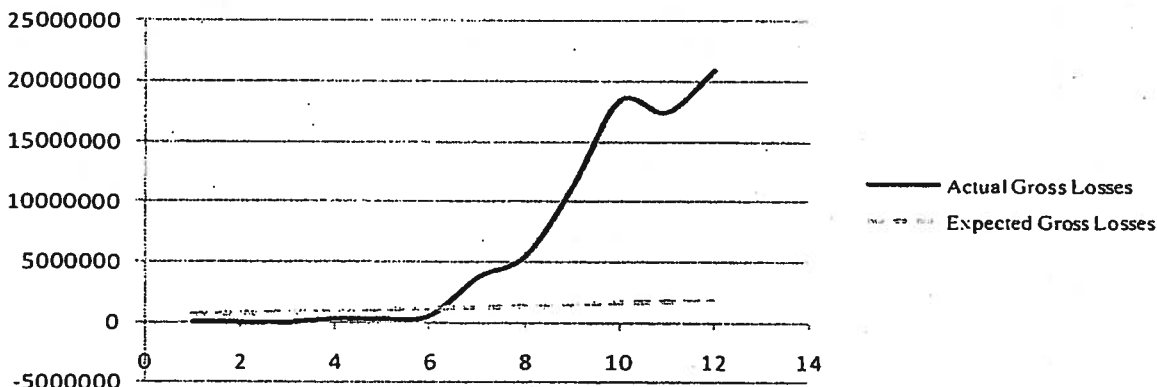
Deal Name	ABSNet Deal Id	Month	Actual Gross Losses	Expected Gross Losses
RALI Series 2007-QH2 Trust	40843	1	\$ -	\$ 469,637
RALI Series 2007-QH2 Trust	40843	2	\$ -	\$ 512,961
RALI Series 2007-QH2 Trust	40843	3	\$ -	\$ 560,191
RALI Series 2007-QH2 Trust	40843	4	\$ -	\$ 611,661
RALI Series 2007-QH2 Trust	40843	5	\$ 1,242,652	\$ 667,732
RALI Series 2007-QH2 Trust	40843	6	\$ 1,246,124	\$ 728,790
RALI Series 2007-QH2 Trust	40843	7	\$ 1,592,534	\$ 795,249
RALI Series 2007-QH2 Trust	40843	8	\$ 1,936,176	\$ 867,553
RALI Series 2007-QH2 Trust	40843	9	\$ 4,191,926	\$ 946,175
RALI Series 2007-QH2 Trust	40843	10	\$ 5,000,625	\$ 1,031,619
RALI Series 2007-QH2 Trust	40843	11	\$ 6,300,968	\$ 1,124,419
RALI Series 2007-QH2 Trust	40843	12	\$ 8,182,211	\$ 1,225,143



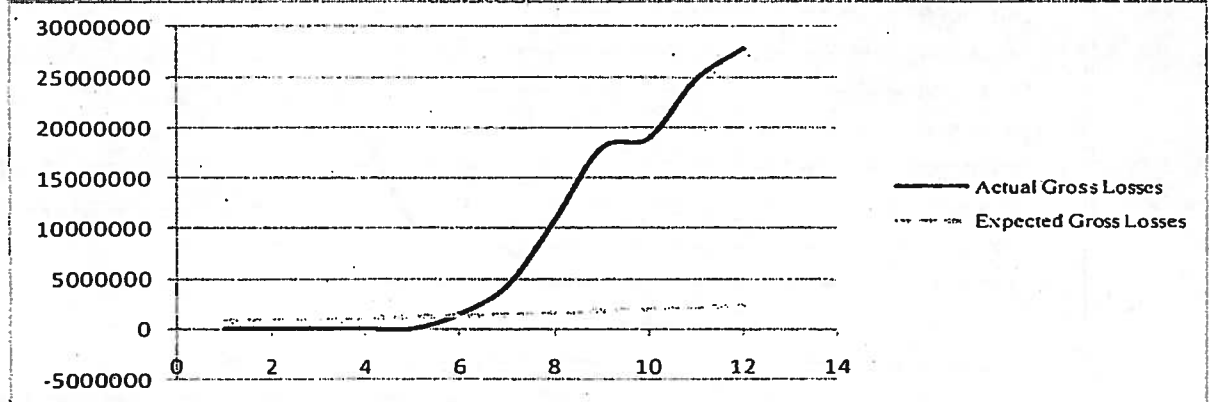
Deal Name	ABSNet Deal Id	Month	Actual Gross Losses	Expected Gross Losses
RALI Series 2007-QH3 Trust	40800	1	\$ -	\$ 457,831
RALI Series 2007-QH3 Trust	40800	2	\$ -	\$ 500,066
RALI Series 2007-QH3 Trust	40800	3	\$ -	\$ 546,109
RALI Series 2007-QH3 Trust	40800	4	\$ -	\$ 596,285
RALI Series 2007-QH3 Trust	40800	5	\$ -	\$ 650,946
RALI Series 2007-QH3 Trust	40800	6	\$ 192,738	\$ 710,469
RALI Series 2007-QH3 Trust	40800	7	\$ 1,331,462	\$ 775,258
RALI Series 2007-QH3 Trust	40800	8	\$ 3,556,839	\$ 845,744
RALI Series 2007-QH3 Trust	40800	9	\$ 4,617,339	\$ 922,390
RALI Series 2007-QH3 Trust	40800	10	\$ 4,628,201	\$ 1,005,686
RALI Series 2007-QH3 Trust	40800	11	\$ 8,532,214	\$ 1,096,154
RALI Series 2007-QH3 Trust	40800	12	\$ 13,454,920	\$ 1,194,346



Deal Name	ABSNet Deal Id	Month	Actual Gross Losses	Expected Gross Losses
RALI Series 2007-QH5 Trust	41380	1	\$ -	\$ 733,221
RALI Series 2007-QH5 Trust	41380	2	\$ -	\$ 800,861
RALI Series 2007-QH5 Trust	41380	3	\$ -	\$ 874,599
RALI Series 2007-QH5 Trust	41380	4	\$ 303,402	\$ 954,957
RALI Series 2007-QH5 Trust	41380	5	\$ 304,095	\$ 1,042,497
RALI Series 2007-QH5 Trust	41380	6	\$ 551,599	\$ 1,137,824
RALI Series 2007-QH5 Trust	41380	7	\$ 3,713,937	\$ 1,241,583
RALI Series 2007-QH5 Trust	41380	8	\$ 5,481,623	\$ 1,354,468
RALI Series 2007-QH5 Trust	41380	9	\$ 11,203,237	\$ 1,477,217
RALI Series 2007-QH5 Trust	41380	10	\$ 18,346,412	\$ 1,610,616
RALI Series 2007-QH5 Trust	41380	11	\$ 17,414,436	\$ 1,755,501
RALI Series 2007-QH5 Trust	41380	12	\$ 20,855,638	\$ 1,912,756



Deal Name	ABSNet Deal Id	Month	Actual Gross Losses	Expected Gross Losses
RALI Series 2007-QH6 Trust	41979	1	\$ -	\$ 917,466.16
RALI Series 2007-QH6 Trust	41979	2	\$ -	\$ 1,002,102.50
RALI Series 2007-QH6 Trust	41979	3	\$ -	\$ 1,094,369.02
RALI Series 2007-QH6 Trust	41979	4	\$ -	\$ 1,194,919.49
RALI Series 2007-QH6 Trust	41979	5	\$ -	\$ 1,304,457.20
RALI Series 2007-QH6 Trust	41979	6	\$ 1,463,785.37	\$ 1,423,737.41
RALI Series 2007-QH6 Trust	41979	7	\$ 4,291,610.29	\$ 1,553,569.73
RALI Series 2007-QH6 Trust	41979	8	\$ 10,720,429.00	\$ 1,694,820.25
RALI Series 2007-QH6 Trust	41979	9	\$ 17,886,574.54	\$ 1,848,413.43
RALI Series 2007-QH6 Trust	41979	10	\$ 18,896,190.65	\$ 2,015,333.56
RALI Series 2007-QH6 Trust	41979	11	\$ 24,666,980.73	\$ 2,196,625.78
RALI Series 2007-QH6 Trust	41979	12	\$ 27,779,856.42	\$ 2,393,396.45



Name & Address:

Terry W. Bird - SBN 49038
Bird, Marella, Boxer, Wolpert, Nessim, Drooks &
Lincenberg, P.C.
1875 Century Park East, 23rd Floor
Los Angeles, CA 90067

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

NATIONAL CREDIT UNION ADMINISTRATION
BOARD, a Liquidating Agent of U.S. Central Federal
Credit Union [see attachment for complete caption]
PLAINTIFF(S)

v.

GOLDMAN, SACHS & CO.; FREMONT
MORTGAGE SECURITIES CORP.;
[see attachment for complete caption]

DEFENDANT(S).

CASE NUMBER

LACV11-6521GHK(RAY)

SUMMONS

TO: DEFENDANT(S): _____

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it), you must serve on the plaintiff an answer to the attached ☒ complaint ☐ _____ amended complaint ☐ counterclaim ☐ cross-claim or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff's attorney, Terry W. Bird, whose address is 1875 Century Park East, 23rd Floor, Los Angeles, CA 90067, Tel: 310-201-2100. If you fail to do so, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

Clerk, U.S. District Court

Dated: AUG - 9 2011

By: SUSANA P. BUSTAMANTE
Deputy Clerk

(Seal of the Court)



[Use 60 days if the defendant is the United States or a United States agency, or is an officer or employee of the United States. Allowed 60 days by Rule 12(a)(3)].

ATTACHMENT TO SUMMONS

NATIONAL CREDIT UNION
ADMINISTRATION BOARD, as
Liquidating Agent of U.S. Central Federal
Credit Union and of Western Corporate
Federal Credit Union,

Plaintiff,

vs.

GOLDMAN, SACHS & CO.; FREMONT
MORTGAGE SECURITIES CORP.; GS
MORTGAGE SECURITIES CORP.; and
RESIDENTIAL ACCREDIT LOANS,
INC.,

Defendant.

<p>(b) PLAINTIFFS (Check box if you are representing yourself <input type="checkbox"/>)</p> <p>NATIONAL CREDIT UNION ADMINISTRATION BOARD, as Liquidating Agent of U.S. Central Federal Credit Union and of Western Corporate Federal Credit Union</p>	<p>DEFENDANTS</p> <p>GOLDMAN, SACHS & CO.; FREMONT MORTGAGE SECURITIES CORP.; GS MORTGAGE SECURITIES CORP.; AND RESIDENTIAL ACCREDIT LOANS, INC.</p>
<p>(b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.)</p> <p>Terry W. Bird - SBN 49038 Bird, Marella, Boxer, Wolper, et al. 1875 Century Park East, 23rd Floor Los Angeles, CA 90067 Tel: (310) 201-2100 Fax: (310) 201-2110</p>	<p>Attorneys (If Known)</p>

LACV11-6521

Page 1 of 2
CCD-JS44

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

VIII(a). IDENTICAL CASES: Has this action been previously filed in this court and dismissed, remanded or closed? ☒ No ☐ Yes

If yes, list case number(s):

VIII(b). RELATED CASES: Have any cases been previously filed in this court that are related to the present case? ☐ No ☒ Yes

If yes, list case number(s): LACV11-5887-MMM

Civil cases are deemed related if a previously filed case and the present case:

- (Check all boxes that apply) ☒ A. Arise from the same or closely related transactions, happenings, or events; or
☒ B. Call for determination of the same or substantially related or similar questions of law and fact; or
☒ C. For other reasons would entail substantial duplication of labor if heard by different judges; or
☐ D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

IX. VENUE: (When completing the following information, use an additional sheet if necessary.)

(a) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which EACH named plaintiff resides.

☐ Check here if the government, its agencies or employees is a named plaintiff. If this box is checked, go to item (b).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
	Virginia

(b) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which EACH named defendant resides.

☐ Check here if the government, its agencies or employees is a named defendant. If this box is checked, go to item (c).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
	Delaware, New York

(c) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which EACH claim arose.

Note: In land condemnation cases, use the location of the tract of land involved.

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles	

* Los Angeles, Orange, San Bernardino, Riverside, Ventura, Santa Barbara, or San Luis Obispo Counties

Note: In land condemnation cases, use the location of the tract of land involved

X. SIGNATURE OF ATTORNEY (OR PRO PER):

Terry W. Bird
Terry W. Bird

Date August 8, 2011

Notice to Counsel/Parties: The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY

This case has been assigned to District Judge George King and the assigned discovery Magistrate Judge is Paul Abrams.

The case number on all documents filed with the Court should read as follows:

CV11- 6521 GHK (PLAx)

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

All discovery related motions should be noticed on the calendar of the Magistrate Judge

=====

NOTICE TO COUNSEL

A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).

Subsequent documents must be filed at the following location:

☒ **Western Division**
312 N. Spring St., Rm. G-8
Los Angeles, CA 90012

☐ **Southern Division**
411 West Fourth St., Rm. 1-053
Santa Ana, CA 92701-4516

☐ **Eastern Division**
3470 Twelfth St., Rm. 134
Riverside, CA 92501

Failure to file at the proper location will result in your documents being returned to you.

